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Safety from big cash loss professed

By Richard J. Gillespie

NEW YORK — The $165 million cash management loss at Marsh & McLennan Cos. could not occur in their companies, cash managers surveyed by *Pensions & Investment Age* believe.

The news that the firm lost the money investing short-term funds brought responses of surprise and consternation from cash managers.

Dorothy Conway, former vice president and assistant treasurer at Marsh & McLennan, is accused of causing the losses. An industry source and friend described Ms. Conway as "a highly respected member of the cash management community."

"It came as such a blow to me because she would be the type of person that would tell her boss if she ran into a problem," the source said.

Most of those interviewed said it would be virtually impossible to do in their own similar organizations what Ms. Conway; A. Chester Gan, treasurer; and Richard O. Post Jr., formerly head of the investment management group, are alleged to have done at Marsh & McLennan.

Cash management

According to official accounts, Ms. Conway was responsible for creating a $2 billion leveraged government bond position with a cash pool of roughly $150 million in corporate funds and $350 million in fiduciary funds, which are insurance premiums held temporarily on behalf of other firms.

The impression given in statements by John Regan Jr., chairman of Marsh & McLennan, is the treasury staff had engaged in unauthorized investment practices, and that "faulty recordkeeping" enabled the group to engage in a cover-up.

Margin call payments were entered onto the books as purchases

Continued on page 60

Late news

Public funds in deal

PITTSBURGH — The California Employees and Ohio Teachers retirement systems are negotiating to sell U.S. Steel Corp.'s headquarters to a tax-driven syndication, reportedly for a significant profit.

The funds purchased the building for $260 million in an equity transaction less than two years ago.

The pension funds then would finance the debt on the property for

Continued on page 2

Pensions & Investment Age

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The newspaper of corporate and institutional investing • $3.00 an issue • $60 a year • June 25, 1984

Hires 4, raises equity limit

New Mexico realigns

By Steve Hemmerick

SANTA FE, N.M. — The New Mexico Employees' Retirement Association, moving to multiple managers for the first time, reallocated its $725 million in assets, hiring four new managers and raising its ceiling on equity investments to 50% from 30%.

The pension fund hired Criterion Investment Management Co., Houston; Loomis, Sayles & Co., Boston; INVESCO Capital Management Inc., Atlanta; and Wentworth Hauser & Violich, San Francisco.

Criterion will manage a $250 million balanced account. Loomis Sayles will manage a $125 million fixed-income account, and Wentworth a $100 million fixed-income account. INVESCO will manage a $125 million equity account.

Gerry Culpepper, internal auditor for the fund, said Fiduciary Trust Co. of New York, formerly the fund's sole manager, will be retained as manager of a $125 million fixed-income portfolio.

The New Mexico fund joins other public funds, such as those in Seattle and California, in increasing equity investment ceilings and managers (*See related stories, page 8*). More and more, they are taking on the look of the corporate pension fund investment style.

Pension fund executives say that by increasing their equity allocation, they can increase their return in the long run but at reduced risk.

Commenting on the multimanager approach, Mr. Culpepper said, "One of the reasons that we did it was that we needed that diversification in order to spread the risk. If a single manager performs poorly, you can have a very serious situation.

"With the different investment styles by hiring several managers, we knew that the risk would be less. We hired top performers, and we feel that our fund will now have improved overall performance."

The New Mexico fund first moved toward hiring several managers more than a year ago when it asked SEI-Funds Evaluation Services, Houston, to do some studies.

In summing up the fund's actions, Mr. Culpepper said, "We feel it is a major step forward for New Mexico in creating a fund that is geared for superior performance through the hiring of some outstanding managers in the marketplace.

"The managers were selected for their complementary styles so that, in bull or bear markets, they should perform fully above the market indexes."

The state investment council has

Continued on page 59

Tenneco Inc. brings $100 million in-house

By Fred Williams

HOUSTON — Tenneco Inc. has transferred $100 million of its pension assets to three internally managed portfolios after an analysis indicated performance could be improved by such a move.

Dan Watson, president of Tenneco Financial Services, the parent of Tenneco Asset Management Co., said the company decided to move a portion of its pension assets inside "and manage them a little more actively" after a study of Tenneco's pension funds last summer.

Mr. Watson admitted to being the catalyst behind the shake-up. He was named president of Tenneco Financial Services in December 1982.

"We were looking for improved performance, and it was clear the performance by some of our managers was inadequate," said Mr. Watson.

He said Dreyfus Management Inc., New York, was terminated as a result of the switch. Most of the new, internally managed assets were funded through cash flow.

AmeriTrust Co., Cleveland, also was terminated, said Mr. Watson, although that termination "had little to do with performance." He said AmeriTrust was terminated and the $29.6 million balanced portfolio brought inside because it no longer fit in with Tenneco's needs.

Hoisington Investment Manage-

Continued on page 61

International directory

U.S. tax-exempt assets invested internationally increased 37% in 1983, with much of the money going to Japan. International money managers profiled in this issue said, on average, 42% of their portfolios were weighted in Japanese stocks. The United Kingdom was the second favorite, while Canada was third. Fifty-eight managers reported holding Japanese securities. Directory begins on page 25.

Fund hires new chief, new adviser

By Marci Baker

HARRISBURG, Pa. — The Pennsylvania State Employees Retirement System acquired a new chief investment officer and a new investment management firm in mid-June.

Gary Sipe, vice president in charge of the employee benefits investment department at Equitable Bank in Baltimore, joined the pension fund as chief investment officer. He replaces Edwin Warwick, who left April 18 after less than two years on the job.

At the same time, the $4.2 billion fund selected Payden & Rygel Investment Counsel, Los Angeles, to run a $200 million fixed-income portfolio.

The hiring of the manager reportedly is part of the system's efforts to restructure the fund under core/specialty formats for both equity and fixed-income portfolios. Sources familiar with the situation say more than $1 billion ultimately will be handed to new managers.

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Florida board mulls global fixed income

By Rose Darby

TALLAHASSEE, Fla. — The $6.5 billion Florida State Board of Administration wants to hire as many as three global fixed-income managers in what appears to be the latest step in a gradual restructuring of the pension fund.

Each global manager would be given as much as $100 million, said E.J. Yelton, executive director.

If the investment policy board grants approval, the Florida system will be among the first public funds to move into global investment fixed-income management.

"We have legal authority to do this, but not policy advisory council authority," Mr. Yelton said. "Our policy will not allow us to do anything like that."

A recommendation most likely will be made to the advisory council at its next meeting in early July.

If the council agrees with the idea, the recommendation then must be brought before the investment board. That process could take until late July, or longer, he said.

The board has been seeking to expand its investment horizons for some time now.

Late last year, the system hired three managers to write options on index fund holdings.

During the period of a year, the system invested $300 million in direct real estate accounts, with three real estate managers. The system later fired all three managers after a policy change that mandated investments in open-end real estate funds only.

The board then hired six real estate managers to run pooled real estate accounts, totaling roughly $265 million.

Last spring, Florida hired its first three non-index equity managers to run $100 million each. That move followed the enactment of a new state law allowing the fund to hire outside managers. Until less than a year ago, all of the fund's assets were managed internally.

Also last year, the fund hired Citibank as master trustee.

The Florida Board of Administration manages the Florida Retirement System. ■

Retroactivity rules upheld

By Joel Chernoff

WASHINGTON — The U.S. Supreme Court's decision upholding the constitutionality of the 1980 multiemployment pension law's retroactivity rules might help speed up payment of millions of dollars to multiemployer plans.

Payment of withdrawal liability assessments had been at a trickle while more than 200 cases worked their way through the courts. Now, multiemployer plan officials expect the cash to start flowing in.

"This will somewhat break up the logjam," said George W. Lehr, executive director of the Teamsters Central States, Southeast & Southwest Areas Pension Fund. The fund, which is the nation's largest multiemployer fund at $4.9 billion in total assets, is owed $350 million, Mr. Lehr said. It has collected only $3 million.

However, 60% of those assessments are tied up in bankruptcies, where the fund stands to gain only a fraction of the liabilities.

The $4.7 billion Western Conference of Teamsters is owed several million dollars, said a fund spokesman.

A spokesman for the $2 billion United Mine Workers of America pension fund said 75 to 130 employers have raised the constitutional question, involving about $20 million in liability payments.

In its ruling, the Supreme Court upheld the constitutionality of the retroactive provision of the Multiemployer Pension Plan Amendments Act of 1980, reversing the 9th Circuit Court of Appeals. Three other federal appeals courts had upheld the statute.

The 1980 law required employers who left a multiemployer plan to pay a portion of the fund's unfunded vested benefits. Congress made the act effective as of April 30, 1980, although it was not signed into law until Sept. 26, 1980.

The retroactive rule for multiemployer plans was ruled constitutional

Opponents have argued the retroactive feature violated the Constitution's due process clause. Employers who left multiemployer plans after the law's signing have raised similar objections.

The court reiterated its view that "strong deference" is given to legislation affecting national economic policy, even when it is applied retroactively, provided there is a legitimate purpose for the retroactive starting date and due process requirements are met.

"Withdrawals occurring during the legislative process not only would have required that remaining employers increase their contributions to existing pension plans, but also could have ultimately affected the stability of the plans themselves," the court found.

The case, which was returned to the lower court for further proceedings, involved R.A. Gray & Co., an Oregon building and construction firm that withdrew from the Oregon-Washington Carpenters-Employers Pension Trust Fund on June 1, 1980. It subsequently was hit with a bill of $201,359 from the fund. The company then filed suit against the plan and the Pension Benefit Guaranty Corp.

The decision directly affects at least 74 employers who owe $70 million in liability payments, according to the PBGC.

However, those employers still may avoid their liabilities. Congress is considering a provision sponsored by Sen. John Danforth, R-Mo., in the deficit-reduction bill that would eliminate the five-month window. Attorneys expect the Supreme Court's ruling to be extended to cases involving employer withdrawals after the law's signing.

"The logic of the court's opinion applies with greater force in the prospective context," said Baruch Fellner, associate general counsel for the PBGC.

Mildred Carmack, an attorney representing R.A. Gray, said the court had not dealt with another claim, charging private property had been taken without just compensation. She said this argument might be pursued, among others. She had not yet seen the Supreme Court opinion. ■

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TIAA files suit over payments

By Marci Baker

NEW YORK — The Teachers Insurance and Annuity Association of America has sued the Richmond Tank Car Co. to force payment of $20 million in unsecured notes.

The notes, which mature in 1995, are part of TIAA's bond portfolio. A spokesman said interest payments on the notes have been in default for more than a year.

Lewis Ball, chief financial officer for the Houston railroad equipment maker, said the June 5 filing in a Houston federal court took the company by surprise. The firm had been negotiating with TIAA on payment of the debt, he said.

He said the company plans to oppose the suit, but he expects it will be settled out of court.

TIAA declined to comment on the specifics of the suit. However, a spokesman said, "The negotiations that Richmond keeps referring to have been very protracted. They did not appear to be leading toward a resolution."

The financially troubled company has been in default on its debt obligations to TIAA since the fall of 1982. Moreover, its Richmond Leasing Co. unit owes additional money to the retirement plan.

However, that unit is reorganizing under Chapter 11 of the federal bankruptcy code, which provides protection from creditor lawsuits while companies work out payment plans.

Richmond Tank Car's financial woes began when the recession caused a slowdown in the rail car market, prompting the company to close plants producing those cars, Mr. Ball said.

However, due to new financing plans and a pick-up in orders for hopper cars, Richmond Tank Car expects to be profitable by year-end, he said. The reorganization of Richmond Leasing should be complete in the fall, he added.

Richmond Tank Car has agreed in principle to restructure more than $70 million of debt with a five-bank group, with the pact being contingent on reaching agreements with other creditors and raising new equity.

Mr. Ball said plans are to raise the required equity through a rights offering of common stock, which gives shareholders the right to buy new shares at a set price. The proceeds from the rights offering would go to pay debts to creditors, including TIAA.

Mr. Ball noted, however, the lawsuit could put a crimp in Richmond's financing plans, particularly its plans for a rights offering.

"You can't really have an offering when no one knows the outcome of the lawsuit," he said. In addition, he said, the company's other creditors are "up in arms" over the legal development, and a meeting is scheduled on the issue. ■

Late news

Continued from page 1

the syndication in return for what a source described as a "high rate." Integrated Resources Inc., New York, is the lead party in the two-party syndication venture.

W. James Smith, mortgage investment officer for the California fund, said the parties involved "do have a letter of intent to proceed," but he has no idea when the deal would close.

Becker subject of suit

BOISE, Idaho — A.G. Becker and one of its brokers were charged with "extensive short selling and margin trading and churning the account" of Rangen Inc.'s pension and profit-sharing plans.

Jeffrey N. Clayton, independent fiduciary for the plans and former administrator of the Labor Department's pension program, filed the suit.

Named as defendants were Stephen Rangen, a broker with Becker; his father, Thorlief Rangen, president of the company bearing his name; First Trust Corp. of Denver; and Rangen Inc. of Buhl, Idaho.

The lawsuit alleges breaches of fiduciary duties under the Employee Retirement Income Security Act and violations of securities law, common laws and a racketeering law.

During a one-year period, Becker is alleged to have made stock purchases worth 20 times the average value of the plan's assets.

First Trust, Thorlief Rangen and Rangen Inc. are alleged to have violated their fiduciary duties to the plan by practicing in and failing to prevent the acts of Becker and Stephen Rangen.

Money movers . . .

• CARSON CITY, Nev. — The Nevada Public Employees' Retirement System has hired INVESCO Capital Management Inc., Atlanta, and Loomis, Sayles & Co. Inc., Los Angeles, as equity managers and given each $100 million, according to Laura Wallace, investment analyst for the fund.

• HOUSTON — United Energy Resources hired Lehman Management Co., New York, to run a $20 million fixed-income portfolio for its $130 million pension fund, said Stewart Hoeg, manager of treasury operations.

• CHICAGO — The $3.1 billion United Air Lines pension fund has committed $20 million to Nikko International Capital Management, New York, to invest in Japanese equities.

Secretary removed

BOSTON — In what was termed a political maneuver, Brian Leahy has been removed as executive secretary of the roughly $300 million Boston Retirement System. Sources said Mr. Leahy and Leon Stamps, the city's new auditor, "did not see eye to eye on things" and asked him to leave.

Rules overturned

WASHINGTON — Two federal agencies say they will appeal a U.S. District Court judge's decision to overturn regulations banning full federal insurance on brokered deposits.

District Judge Gerhard A. Gesell said regulations issued by the Federal Deposit Insurance Corp. and the Federal Home Loan Bank Board last March are "unlawful and void." He said the agencies, which limited insurance on brokered deposits to $100,000 per investor, lacked the authority to deny or limit insurance.

The regulations prevented deposit brokers from bundling certificates of deposit together so as to provide fully insured, high-interest bearing investments in large denominations. The agencies believed this practice enabled troubled depository institutions to obtain high-cost money in inordinate amounts.

International DIRECTORY

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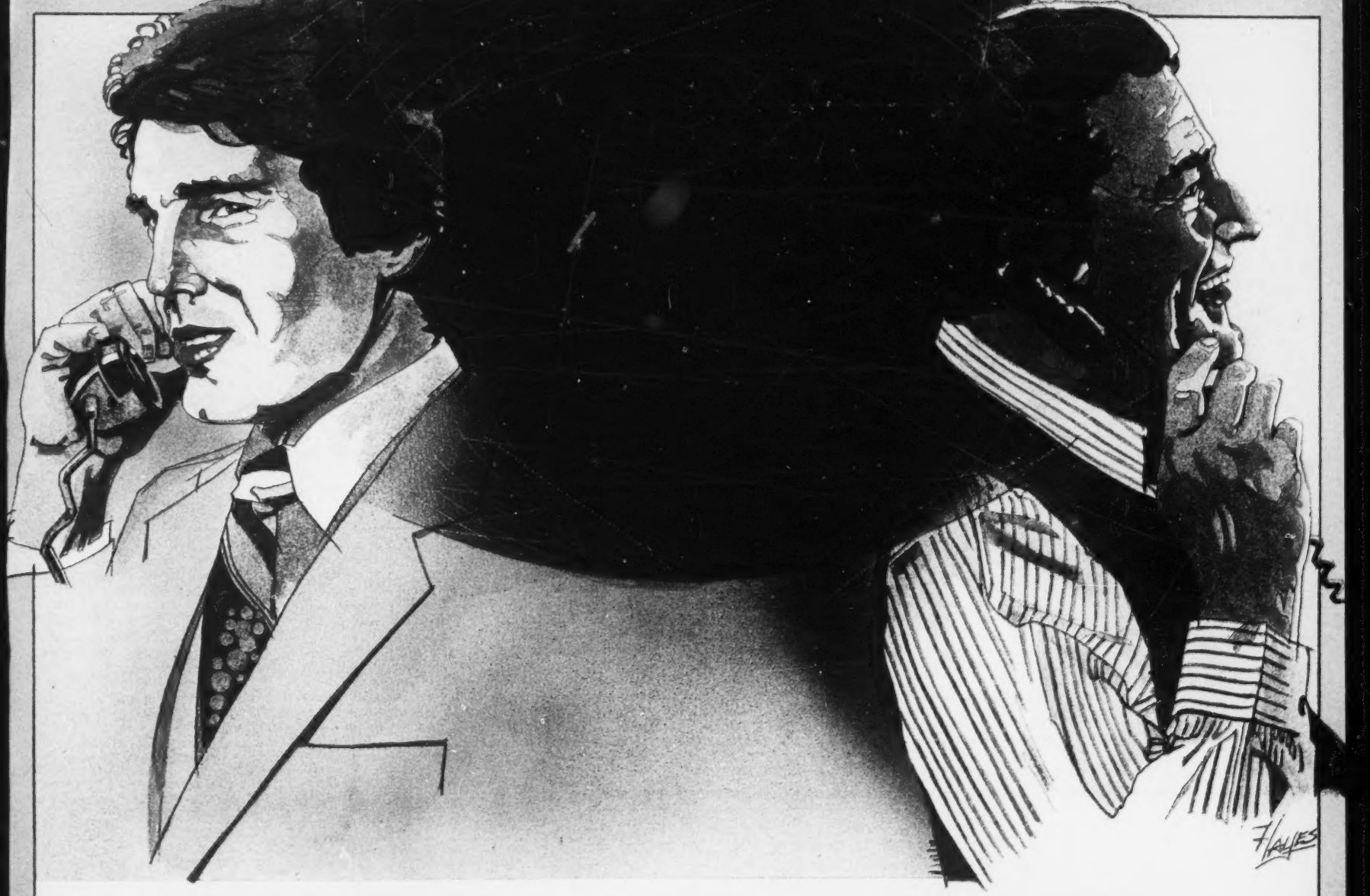

$14.6 billion invested overseas

By Rose Darby

NEW YORK — U.S. tax-exempt assets invested internationally increased 37% during 1983, a *Pensions & Investment Age* survey of international money managers shows.

Eighty-two international investment advisers reported total U.S. tax-exempt assets under management of $14.6 billion as of Jan. 1, compared with $10.6 billion a year earlier.

Of this, the top 20 international money managers invested roughly $12.2 billion, a 36% jump from the $9 billion they reported as of Jan. 1, 1983.

The growth in assets managed by the top 20 advisers follows a trend of the past few years. The 1983 survey showed a 23% increase, to $9 billion from the $7.3 billion reported Jan. 1, 1982; the 1982 survey showed a 46% increase.

The international money managers profiled in this issue were asked to list the five countries in which their assets were invested most heavily, and to give the weightings as of March 31.

The Japanese market emerged the leader, with the average equity portfolio weighted 42% in Japanese stocks. Fifty-eight managers reported Japanese holdings.

The United Kingdom was the second most favored equity market, with an average portfolio weighting of 14.4%; 49 managers reported British holdings.

Canada was third, with an average portfolio weighted 11.1% in Canadian stocks.

Despite the heavy average weighting, only 10 international managers reported holding Canadian issues.

Germany and the Netherlands were fourth and fifth, with average weightings of 10.1% and 8.6%, respectively.

Germany was the third most popular country for stocks, with 39 managers reporting holdings. Holdings in the Netherlands were reported by 38 international managers.

Other countries cited were Australia, with the average weighting in equities being 7.8% and 24 managers reporting holdings; Hong Kong, with equities weighted 7.8% from reports by 15 managers; Switzerland, 7.6% and 18 managers; Singapore, 6.8% and 4 managers; and France, with an average weighting of 6.6% and nine managers reporting holdings.

In terms of percentage of increase, Frank Russell Trust Co. topped the list with a 960% increase in assets to $53 million from $5 million a year earlier.

In second place was Bailard, Biehl and Kaiser International Fund with a 560% increase in assets to $40 million from $6 million.

Kemper-Murray Johnstone International was third with a 483% jump in assets to $175 million from $30 million.

Nikko International Capital Management Co. (America) grew to $74 million from $13 million, putting it in fourth place with a 469% increase. Grantham, Mayo, Van Otterloo & Co. placed fifth with a 350% jump to $153 million from $34 million.

Morgan Guaranty Trust Co.'s international investment group in London broke into the lead this year, with the largest amount of U.S. tax-exempt assets for international investment. As of Jan. 1, it had invested $2.2 billion in foreign securities for 30 separately managed U.S. tax-exempt fund accounts and for about 250 clients in two commingled international funds.

That represents a 46% increase in assets for the firm during 1983.

During the year, Morgan picked up 10 accounts for separate management.

The Teachers Insurance & Annuity Association-College Retirement Equities Fund was second, with total assets of $1.9 billion, which represents a 49% increase from the year earlier's approximately $1.3 billion. ■

Sponsors' sphere still limited

Advisers take global view

By Rose Darby

NEW YORK — International money managers say global investment is the wave of the future, but many pension sponsors are unconvinced.

Although overseas money managers are aware of the pension executives' attitude, many are adding global investment capability as a hedge against the future.

"We think that it's coming, but we're not seeing it yet," said Clinton J. Kendrick, president of Alliance Capital Management Corp. and chairman of Alliance Capital International in London.

"Now, the vast majority of people are interested in international investment as opposed to global."

"We're structuring our entire organization under the expectation that, down the road, we must be a truly global investor because that's what all major institutional investors around the world will want," Mr. Kendrick said.

Alliance Capital International manages $75 million in its international fund, he added.

Global investment includes investment in North American markets along with world markets. The Capital International World Index is its bogey.

International investment excludes investment in the United States and often in Canadian issues. Its benchmark is the Capital International Europe Australia Far East Index.

"Global investment is a long-term development that is being talked about more and more," said Jan Twardowski, senior vice president and director of Frank Russell International.

Although many clients and money managers are hesitant about it, a transition is taking place, according to Mr. Twardowski.

"U.S. money management will internationalize itself," he said.

This will happen because domestic portfolios already have an exposure to many international issues and, as a result, domestic managers are becoming increasingly familiar with non-U.S. investments.

"Our theme, which we have been talking to clients about, is the convergence of U.S. investment professionalism with international money management expertise," Mr. Twardowski reasoned.

"They're leavening their U.S. equity portfolios with some non-U.S. stocks," he said.

A survey conducted by Frank Russell Co. late last year demonstrates the kind of overlap Mr. Twardowski noted (*Pensions & Investment Age*, June 11).

Among 35 clients with $35 billion invested in U.S. domestic equity accounts, 2%, or $700 million, was invested in non-U.S. stocks, noted Mr. Twardowski. Among these were multinational issues such as **Schlumberger Ltd., Hitachi, Matsushita, ICI** and **Glaxo**, he said.

"I would guess that those doing international investment are already doing asset allocation in their plans and thus the possibilities for global investing become rather muddy," agreed Chuck Payne, director of marketing support for Prudential Insurance Co. of America.

"It (global investing) tends to duplicate the position you already have in U.S. securities. One can do things more easily and control them more easily if you invest internationally," he added.

Prudential manages $30 billion for tax-exempt clients, of which $263 million is invested in international equities and $47 million is in international bonds. Prudential's own pension fund, with $2.7 billion in assets, has $220 million invested in international stocks, $43 million in international bonds and $28 million in a global bond fund, Mr. Payne explained.

One international money manager who shares his perspective is David Fisher, president of Capital Research Co., which manages $500 million overseas for U.S. pension funds. Mr. Fisher is responsible for the international activity of the Capital Group.

"The process that doesn't permit you to isolate events is something that has helped us produce better results for clients," he said. "To some extent, many businesses have been forced to think globally for a long time. Now, money management firms have been forced to think the way their clients have been," he said.

"There's a substantially higher interest in talking about it and going into it among our clients than there was even 12 months ago."

One reason global investment appeals to international managers is that it ensures a haven in U.S. markets should other markets begin to list.

"Most managers prefer to have a global mandate from pension clients, so that when U.S. markets are strong they can participate," explained Malcolm Mitchell, vice president of InterSec Research Corp., an international research firm in Stamford, Conn.

However, for some plan sponsors, the global mandate concept isn't appealing, no matter what the reason. They fear loss of control over portfolio decisions.

As one large pension sponsor put it, "We would lose some of the control over asset allocation to it. And, we would be losing some control to the balanced fund approach that global investment engenders. That is what we have been trying to get away from."

The other reason plan sponsors are not snapping up the idea of global investment is that many of them want to invest internationally to diversify their domestic portfolios.

According to InterSec's Mr. Mitchell, although money managers are asking clients about global investment "they're not asking very hard because they sense that pension funds are saying 'we want you to invest in international because we have plenty of money invested here at home already.'"

One public fund that wanted to keep this kind of clear definition between international and domestic portfolios is the Oregon Public Employees Retirement System, said James George, investment manager for the fund.

"Oregon has about $2 billion in domestic stocks and until this year had zero in international. So, we had a tremendous amount in the U.S. markets and none elsewhere,"

Continued on page 47

Top 25 international managers

Companies	U.S. tax-exempt assets ($ millions)
Morgan Guaranty Trust Co.	2,200
TIAA-CREF	1,900
Morgan Grenfell Investment Services	7[illegible]4
Rowe Price-Fleming International	731
Fidelity International Investment Management	725
GT Capital Management	550
Templeton Investment Counsel	509
Putnam International Advisors	508
State Street Bank & Trust Co.	477
Capital Guardian Trust Co.	475
Prudential Insurance Co. of America	338
Kleinwort Benson International Investment	312
Merrill Lynch Asset Management	303
Citibank	300
Brown Brothers Harriman & Co.	300
Baring International Investment	225
Fiduciary Trust Co.	220
Warburg Investment Management International	208
First Chicago Investment Advisors	205
Schroder Capital Management International	200
Kemper-Murray Johnstone International	175
Eberstadt Asset Management	175
Nomura Capital Management	174
ABD International Management Corp.	160
BEA Associates	156
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Scudder, Stevens & Clark	147
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Ivory & Sime International	124

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Deregulation eases funds' investments

By Rose Darby

NEW YORK — The world's stock markets gradually are being deregulated, which might make foreign markets easier, safer and less expensive places for U.S. pension fund investments.

In the past 18 months, the stock exchanges of Canada, Australia and England have been deregulated at least partly, much as the U.S. market began to deregulate with the abolition of commmissions in 1975.

In addition, it is believed Japan will be the next stock market along the chain to deregulate, but industry participants say that will be very gradual.

The reasons for deregulation in these nations, while varied, are related in part to the U.S. markets.

"The financial systems of the other capitalist countries will inevitably be affected by the U.S. experience," said James Bain, chairman of the Australian Associated Stock Exchanges. "The greater the interdependence existing between the financial systems of a country with that of the U.S., the stronger will be the pressures for deregulation."

Mr. Bain made his comments in a recent speech about deregulation.

Even though these changes have been a long time coming in each nation, U.S. financial services firms have exerted pressure from the outside, particulary in the United Kingdom and Australia.

"The most aggressive supporters for the deregulation of financial systems outside of the United States are U.S. financial intermediaries, which have survived to enjoy the benefits of deregulation in their own country and wish to take advantage of their experience to cull for themselves the most lucrative business available in those other countries," Mr. Bain said.

Average weighting by country

Japan	42.0%
United Kingdom	14.4
Canada	11.1
Germany	10.1
Netherlands	8.6
Australia	7.8
Hong Kong	7.8
Switzerland	7.5
Singapore	6.8
France	6.6

The first step in deregulation for Canada, Australia and the United Kingdom has been the abolition of fixed commission rates.

Canada abolished its fixed rate schedule April 1, 1983, said Diane Urquhart, director of economics for the Toronto Stock Exchange.

Lower rates and recent lagging

Continued on page 47

FRENCH MARKET?

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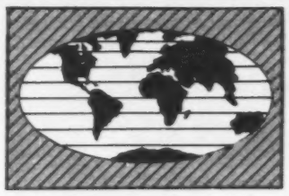

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1 Battery Park Plaza, New York, N.Y. 10004; (212) 952-7738

ABD International, a subsidiary of Dresdner Bank AG and Bayerische Hypotheken- und Wechsel-Bank AG, managed $160 million of U.S. tax-exempt assets internationally as of Jan. 1. All of those assets were in foreign stocks. The firm has six U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $11 billion.

As of March 31, the international equity assets were committed most heavily in Japan, 43%; the United Kingdom, 14%; Germany, 10%; and the Netherlands, 4%.

Analysts or portfolio managers are stationed in New York, Frankfurt, Hong Kong, Singapore and Tokyo.

Minimum account size for individual management is $5 million.

ABD International Management is an equity-oriented global investor. It uses a contracyclical equity approach and relies on extensive research for stock selection. Currency management is a separate process from stock selection, and currency hedging might be used extensively.

The firm is registered with the SEC as an investment adviser as of November 1980. The client contact is Jill B. Jordan, vice president and director of marketing, (212) 952-7351.

Alliance Capital Management International
Buckingham House, 62/3 Queen St., London, EC4R 1AD, England; 441-248-8881. Also: 140 Broadway, New York, N.Y. 10005; (212) 902-4000

Alliance Capital Management International, a subsidiary of Alliance Capital Management Corp., invests $70 million internationally for 19 ERISA clients. All of the assets are invested in foreign equities.

The firm also manages global portfolios for non-U.S. corporations.

As of March 31, the international assets were invested most heavily in Germany, 14.6%; the Netherlands, 15.7%; Japan, 27%; Switzerland, 8.3%; and the United Kingdom, 7.5%.

Minimum account size for individual management is $5 million.

For international investing, the company takes a value-added and active approach toward country, currency and security selection.

Portfolios have a distinctive view, with major overweighting and underweighting in currency, type of assets and industry groups.

The company has been registered with the SEC since 1970.

Clinton J. Kendrick, president, is the client contact in London, 011-441-248-8881. H. Michael Bean, vice president-international, is the marketing contact in New York.

American Express Asset Management Ltd.
2 World Trade Center, 105th Floor, New York, N.Y. 10048; (212) 321-6799

American Express Asset Management started operations in 1984. As of March 31, a model portfolio of equity assets was committed most heavily in Japan, 40%; the United Kingdom, 16%; Germany, 16%; Switzerland, 10%; and the Netherlands, 8%.

Minimum account size for individual management is $15 million.

The firm or its parent firms have analysts or portfolio managers in London and Brussels.

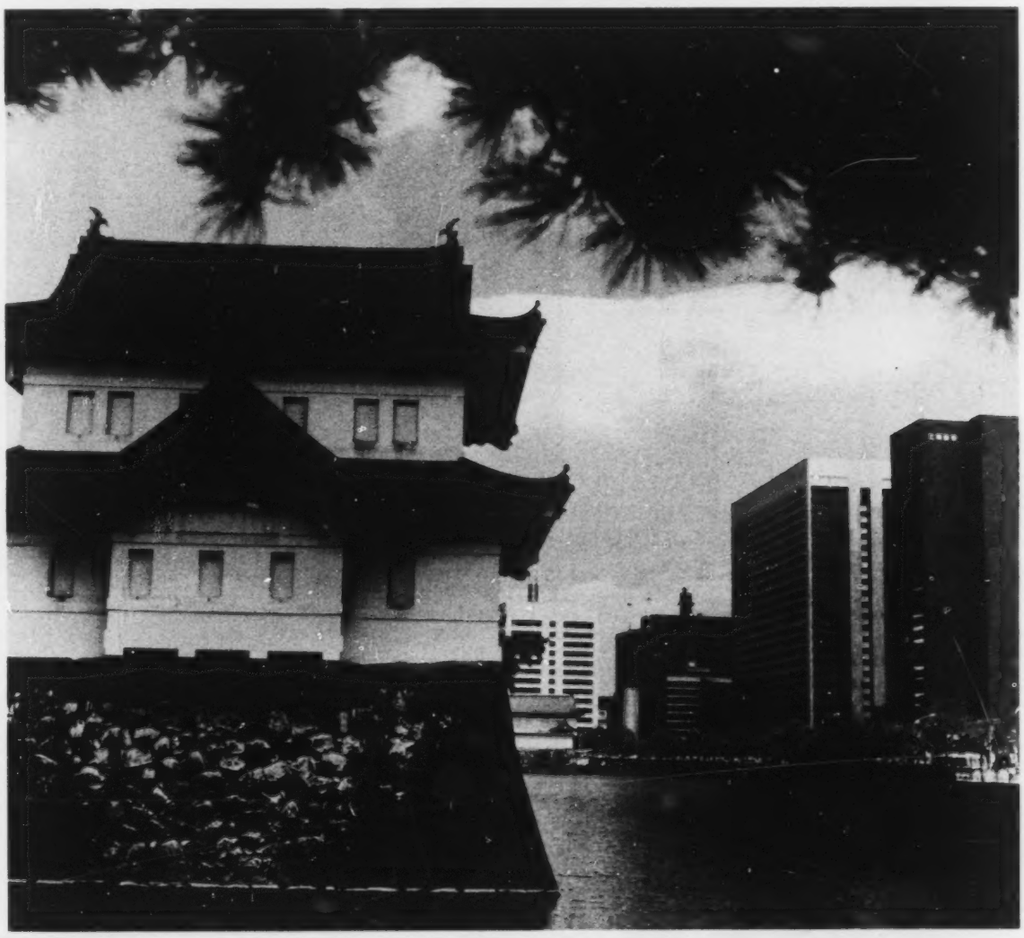
For investing U.S. tax-exempt assets, the firm identifies global investment themes and uses opportunistic stock selection, dynamic asset allocation and active currency management to further enhance returns. All the firm's directors are involved in day-to-day decision-making. Each has a specific investment/research responsibility and manages individual client relationships.

The firm is registered with the SEC.

The client contact is Susan Leader, director of marketing.

American National Bank & Trust Co. of Chicago
33 N. LaSalle St., Chicago, Ill. 60690; (312) 661-6925

American National Bank & Trust Co. and its subsidiaries managed U.S.



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New York representatives:

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450 Park Avenue New York, N.Y. 10022

Peter Whelpton - Vice President
Tel: (212) 980-0977 Telex: 971231

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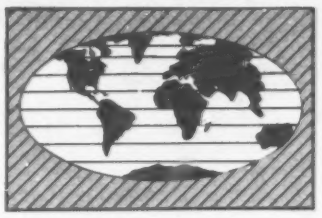


tax-exempt assets of $6 billion as of Jan. 1.

Of that, $7.8 million was invested in foreign stocks.

As of March 31, the equity assets were invested most heavily in Japan, 51%; the United Kingdom, 21%; Germany, 9%; Australia, 5%; and Switzerland, 5%.

Analysts or portfolio managers are stationed in Chicago.

For investing U.S. tax-exempt assets, the firm tracks Capital International's Europe, Australia and Far East Index.

The client contact is Jim Kartalia at (312) 661-5870.

ASB Capital Management

655 15th St. N.W., Suite 800, Washington, D.C. 20005; (202) 383-6300

ASB Capital Management, a subsidiary of American Security Corp., managed U.S. tax-exempt assets of $2.2 billion as of Jan. 1. Of this, $29 million was invested in foreign stocks.

Total U.S. and non-U.S. assets under management by the parent and subsidiaries were $2.9 billion as of the beginning of the year.

As of March 31, the equity assets were committed most heavily to Japan, 44%; Germany, 19.4%; Switzerland, 10%; the Netherlands, 9.8%; and the United Kingdom, 4%.

Minimum account size for individual management is $1 million.

For investing U.S. tax-exempt assets, the firm employs an investment approach that uses actively managed, diversified portfolios with stocks selected from a list of industry leaders and many small- to medium-sized companies with significant potential, strong earnings growth, sound financial condition, clean accounting and projected total revenues well in excess of the risk-free rate. The firm is registered with the SEC.

The client contact is Howard E.N. Wilson, (202) 383-6390.

b

Julius Baer Investment Management Inc.

330 Madison Ave., New York, N.Y. 10017; (212) 949-9055

Julius Baer Investment Management, an international fixed-income manager, managed $36 million of U.S. tax-exempt assets as of Jan. 1. The firm has three U.S. tax-exempt clients.

The firm follows a fundamental top-down approach with emphasis on currency selection and active management.

The client contact is Jay A. Dirnberger, managing director.

Bailard, Biehl & Kaiser International Fund

951 Mariners Island Blvd., Suite 700, San Mateo, Calif. 94404; (415) 571-5800

Bailard, Biehl & Kaiser International Fund managed U.S. tax-exempt assets totaling $40 million as of Jan. 1. Of this, $5 million was invested in foreign stocks. The fund has 21 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $315 million as of the beginning of the year.

As of March 31, the equity assets were committed most heavily to Japan, 52%; Switzerland, 8%; the Netherlands, 7%; France, 5%; and Germany, 5%.

The fund has hired Warburg Investment Management International in London to manage its assets.

For investing U.S. tax-exempt assets, the firm uses a total return approach of both income and appreciation with particular emphasis determined by the economy.

It is registered with the SEC.

The client contact is Richard L. Holbrook.

BAIMCO-International

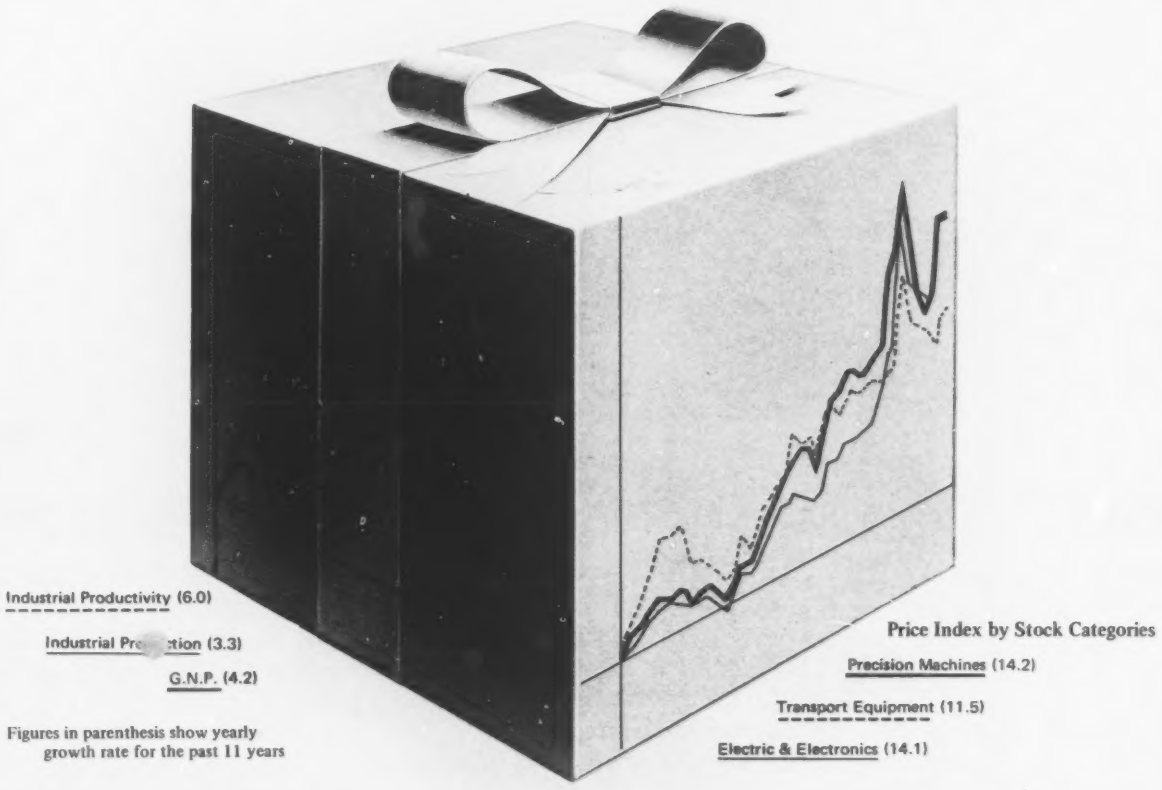
335 Madison Ave., New York, N.Y. 10017; (212) 503-7628

BAIMCO-International managed $3.4 billion in tax-exempt assets as of Jan. 1. Of that total, $85 million was invested overseas for eight U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $6.7 billion as of Jan. 1.

As of March 31, the equity assets

THE JAPAN PACKAGE


Industrial Productivity (6.0)
Industrial Production (3.3)
G.N.P. (4.2)
Figures in parenthesis show yearly growth rate for the past 11 years
Price Index by Stock Categories
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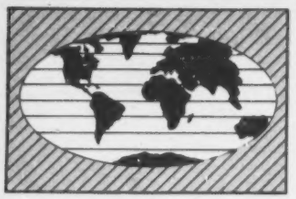
Tel.: (212) 938-5602



were committed most heavily to Japan, 40%; the United Kingdom, 14%; Canada, 12%; the Netherlands, 9%; and Germany, 7%.

Minimum account size for individual management is $2 million.

Analysts or portfolio managers are stationed in San Francisco, London, New York, Hong Kong, Luxembourg and Zurich.

The investment emphasis for U.S. tax-exempt assets is on the world fixed-income markets.

The approach is based on proprietary methods of interest rate and currency anticipation as well as maturity structure.

The firm has been registered with the SEC since 1973.

Francois R. Dennery is the client contact.

Baring International Investment

1 Post Office Square, Boston, Mass. 02109; (617) 357-9074

Baring International Investment managed U.S. tax-exempt assets of $225 million as of Jan. 1. Of this, $86.1 million was invested in foreign stocks. The firm has nine U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $7.4 billion as of the beginning of the year.

As of March 31, the equity assets were committed most heavily to Japan, the United Kingdom, Australia, Singapore and the Netherlands.

Minimum account size for individual management is $10 million.

Analysts or portfolio managers are stationed in London, Hong Kong and Tokyo.

Its U.S. tax-exempt assets are managed using a macro (top-down) approach to asset class and geographical selection, focusing on economic policy, currency outlook and other factors.

Within individual countries, the firm is a stock pusher, focusing on reinvestment rates to select undervalued securities. It will move as much as 50% of its assets into cash in times of uncertainty.

The firm is registered with the SEC.

The client contact is John F. McNamara.

Bartow, MacLeod International Inc.

Suite 476, Statler Office Building, Boston, Mass. 02116; (617) 542-1136

Bartow, MacLeod International managed $16 million for one U.S. tax-exempt client as of Jan. 1. Of that, $9.5 million was invested in foreign bonds.

Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $16 million at the beginning of the year.

As of March 31, the equity assets were invested most heavily in the United States, 40%; Japan, 20%; Germany, 20%; the United Kingdom, 10%; and Canada, 10%.

The minimum account size for individual management is $5 million.

Analysts or portfolio managers are stationed in Boston.

Bartow, MacLeod, a global fixed-income manager, uses a specially developed computer program to evaluate country yield curves and currency projections to establish maximum rate of return portfolios under various projected market and economic conditions.

The firm has been registered with the SEC since 1984.

Stephen C. Bartow, president, is the client contact.

Batterymarch Financial Management

600 Atlantic Ave., Boston, Mass. 02210; (617) 973-9300

As of Jan. 1, Batterymarch managed U.S. tax-exempt assets totaling $132 million internationally. The entire amount was invested in stocks.

Total U.S. and non-U.S. assets under management totaled $11 billion as of the first of the year.

Analysts and portfolio managers operate out of the firm's Boston headquarters.

Minimum account size is $5 million.

As of March 31, assets placed overseas were committed most heavily to Japan 15%; the United Kingdom, 13%; Australia, 15%; Singapore, 10%; and Hong Kong, 10%.

The firm's equity approach is a two-step process. It emphasizes country judgments that are contrarian and value oriented. Stock selections are the result of disciplined application of quantitative valuation techniques applied on an intracountry basis.

The firm has been registered with the SEC as an investment adviser since 1969.

The client contacts are Jarrod W. Wilcox, senior vice president, and Alan Strassman, executive vice president.

BBL Capital Management

630 Fifth Ave., Suite 2020, New York, N.Y. 10111; (212) 489-7000 Ext. 101 or 102

BBL Capital Management Corp., a subsidiary of Bank Brussels Lambert, started operations in 1984. Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $2.5 billion as of Jan. 1.

It had no U.S. tax-exempt assets invested internationally as of the beginning of the year.

As of March 31, the equity assets of Belgian pension fund clients were committed most heavily to Belgium, 35%; the United States, 22%; Japan and the Far East, 18%; the United Kingdom, 13%; and Switzerland, 8%.

Minimum account size for individual management is $4 million. Analysts or portfolio managers are stationed in Brussels, Paris and Geneva.

For investing U.S. tax-exempt assets, the firm offers individual management and four global equity oriented funds: two are actively managed and two are competing with the EAFE and World indexes. The firm combines a top-down approach with extensive bottom-up equity selection and relies on local associates in markets where it is not yet present. It targets undervalued situations and medium-term growth.

The firm has been registered with the SEC since 1983.

Koen De Ryck, managing director, is the client contact in Brussels at (2) 738-2899.

BEA Associates Inc.

153 E. 53rd St., 58th Floor, New York, N.Y. 10022; (212) 832-2626

BEA Associates managed U.S. tax-exempt assets totaling $3.2 billion as of Jan. 1. Of this total, $104 million was invested in foreign stocks and $52 million in foreign bonds. The firm has 154 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent and subsidiaries were $3.4 billion as of the beginning of the year.

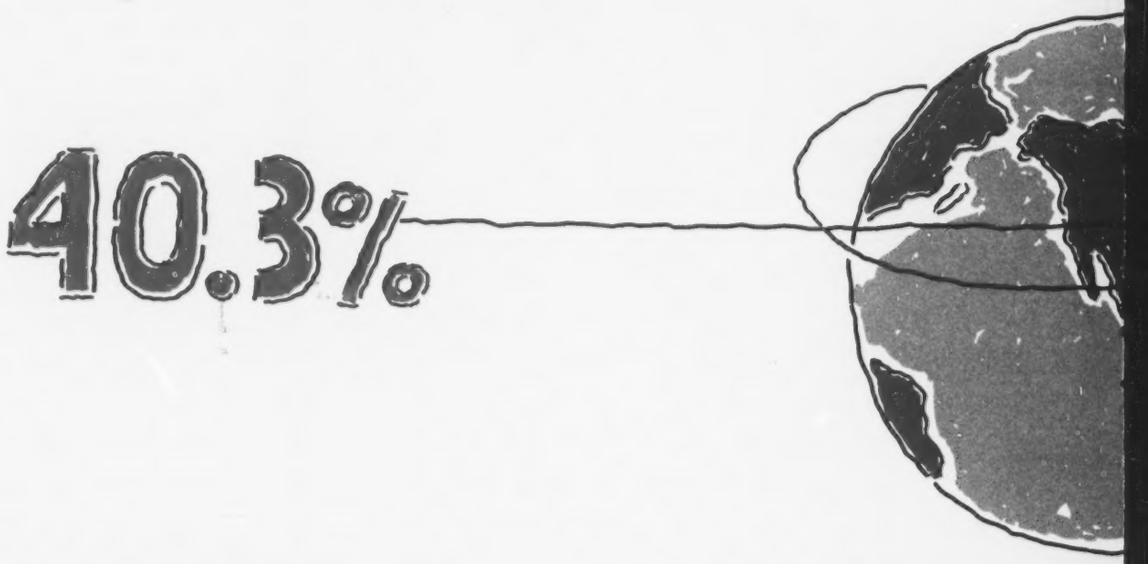
As of March 31, assets were committed most heavily to the United Kingdom, 21%; Canada, 14%; Japan, 13%; France, 8%; and Sweden, 8%.

Minimum account size for individual management is $5 million. Analysts or portfolio managers are in New York.

The firm's foreign investment philosophy for U.S. tax-exempt clients uses price sensitivity and value orientation. It seeks better relative values within a global context. It also tries to identify markets that are moving out of phase with the U.S. market to reduce portfolio volatility and vulnerability to U.S. cyclical patterns.

The firm is registered with the SEC.

The client contact is Albert L. Zesiger.



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Bessemer Trust Co.

630 Fifth Ave., New York, N.Y. 10111; (212) 708-9141

Bessemer Trust managed U.S. tax-exempt assets totaling $374 million as of Jan. 1. Of this total, $1.8 million was invested in foreign stocks and $1.2 million in foreign bonds. The firm has 65 U.S. tax-exempt clients.

Total U.S. and non-U.S. tax-exempt assets managed by the parent organization and subsidiaries were $3.3 billion as of the beginning of the year.

As of March 31, the equity assets were committed most heavily in Japan, 19.9%; the United Kingdom, 16.1%; Germany, 12.3%; Australia, 8.8%; and the Netherlands, 8.5%.

Minimum account size for individual management is $5 million.

The firm or its parent have analysts or portfolio managers in New York and Palm Beach, Fla.

The firm's investment objective is to achieve incremental returns relative to U.S. markets and reduce overall portfolio risk and volatility. An emphasis is placed on country selection based on macroeconomic data and on participation in industries with unique products and services. Portfolios are managed actively and primarily equity oriented.

The client contact is Robert C. Elliott, executive vice president.

Arnhold & S. Bleichroeder International

30 Broad St., 43rd Floor, New York, N.Y. 10004; (212) 943-9200

Arnhold & S. Bleichroeder International, a subsidiary of Arnhold and S. Bleichroeder Inc., had $40 million invested internationally as of Jan. 1 for the firm's seven U.S. tax-exempt clients. Of this, $36 million was in equities.

As of the same date, the parent company and its subsidiaries managed $420 million.

As of March 31, the heaviest commitments of non-domestic equities were in Australia, 28%; Britain, 19%; Japan, 24%; Hong Kong, 10.6%; and Norway, 8%.

All analysts or portfolio managers are stationed in New York.

The SEC-registered firm aims for high rates of return from international investments using a concentrated portfolio with a maximum of 30 securities. It builds portfolios on fundamental research of individual securities. Reduction of portfolio risk through international diversification is a secondary consideration for the firm.

Fred Reynolds, vice president, is the client contact.

Brown Brothers Harriman

59 Wall St., New York, N.Y. 10005; (212) 483-1818

Brown Brothers Harriman & Co. invested U.S. tax-exempt assets of $300 million internationally as of Jan. 1. Of this, $110 million was invested in foreign stocks and $190 million in foreign bonds. The bank has 15 U.S. tax-exempt clients.

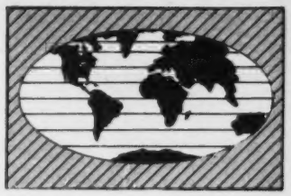
Total U.S. and non-U.S. tax-exempt assets under management by the parent and subsidiaries were $9.6 billion as of the beginning of the year.

As of March 31, the equity assets were committed most heavily in Japan, 46%; Australia, 10%; Switzerland, 9%; Germany, 8%; and Hong Kong, 8%.

Minimum account size for individual management is $5 million.

The firm or its parent company have analysts or portfolio managers stationed in New York, London and Tokyo.

The firm's international investment philosophy emphasizes longer term commitment to multicurrency diversification. It stresses the impact of judgments on economic developments, expected changes in currency values and market trends. Individual stock and bond issue analysis and selection are also vital. Active management is stressed, although radical shifts in asset mix or individual issues are not anticipated. The firm places strong emphasis on quality and marketability in investment selections.



The client contact is Frank J. Keeler, manager, at (212) 483-5376.

BT Investment Management

280 Park Ave., New York, N.Y. 10017; (212) 850-2050

As of Jan. 1, BT Investment Management, a subsidiary of Bankers Trust Co., managed $60 million for 14 U.S. tax-exempt clients. Of that, $54.6 million was in foreign stocks.

U.S. and non-U.S. assets managed by the parent and its subsidiaries as of Jan. 1 totaled $28.3 billion.

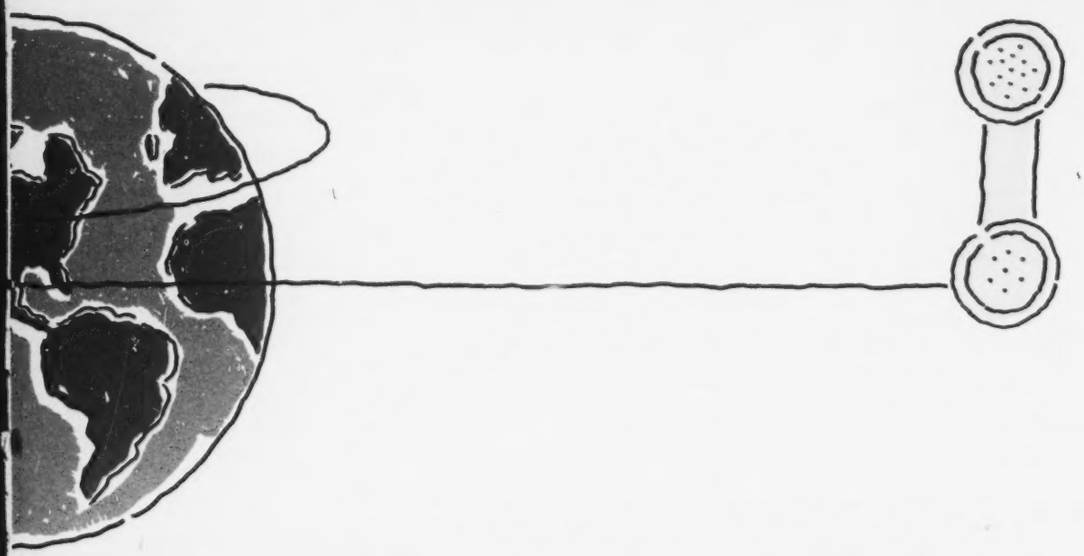
As of March 31, the equity assets were invested most heavily in Japan, 46%; the United Kingdom, 21%; Germany, 8.2%; the Netherlands, 6%; and Australia, 5%.

Minimum account size for separate management is $5 million.

Analysts or portfolio managers are stationed in London, Tokyo, Sydney and Zurich.

BT Investment combines both fundamental and quantitative analysis for the diversification of assets in international markets. It is a two-stage approach involving a country or geographical asset allocation decision and then security selection within each country. The international equity management product that is offered to U.S. plan sponsors is an active selection investment vehicle that is risk controlled. The firm has been registered with the SEC since 1983.

The client contact is William O. Melvin Jr. at (212) 850-2047.



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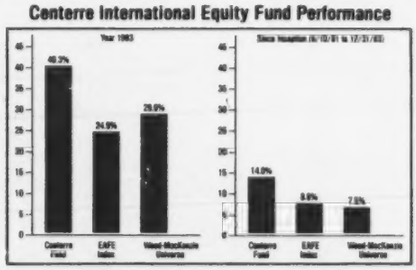

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St. Louis, MO 63101

Capital Guardian Trust Co.

333 S. Hope St., Los Angeles, Calif. 90071; (213) 486-9200

Capital Guardian Trust Co., a subsidiary of The Capital Group Inc., had U.S. tax-exempt assets of $475 million invested internationally for 15 clients as of Jan. 1. Of that, $397 million was in equities, $47.5 million was in bonds, and $31.1 million was in cash.

The firm had $10.1 billion under management as of the same date. All of those assets are tax-exempt.

As of March 31, international equity assets were invested most heavily in Japan, 56.9%; Germany, 13.4%; the United Kingdom, 9.1%; Hong Kong, 6.1%; and the Netherlands, 4.4%.

Analysts or portfolio managers are stationed in Hong Kong, Tokyo, London, Geneva, San Francisco, Los Angeles, New York and Washington.

Minimum account size for individual management is $10 million.

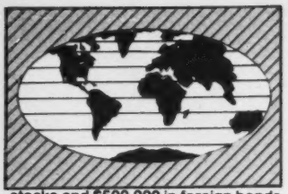
For investing U.S. tax-exempt assets, the firm uses a fundamental, value-oriented approach based on detailed research and analysis supported by direct management contracts. Additional focus is provided by portfolio managers and analysts with country or area economic, political and social overview responsibilities. International research is based in Geneva with overall strategy coordinated daily through the Los Angeles head office.

The client contact is John H. Seiter, vice president, at (213) 486-9436.

Centerre Trust Co. of St. Louis

510 Locust St., St. Louis, Mo. 63101; (314) 231-9300

Centerre Trust managed U.S. tax-exempt assets totaling $36.7 million internationally as of Jan. 1. Of this, $36.2 million was invested in foreign



stocks and $500,000 in foreign bonds. It has 20 U.S. tax-exempt clients.

As of March 31, the equity assets were committed most heavily to Japan, 49%; the Netherlands, 8%; Germany, 7%; the United Kingdom, 6%; and Europe (other), 7%.

Portfolio managers for the firm or its parent are stationed in St. Louis; research assistance is provided from London, Geneva, Tokyo, Singapore and Sydney.

The firm's investment approach is one of active management, with primary emphasis placed on over- or underweighting countries, followed by stock and sector selection. The primary factor in decision-making is fundamental research with large movement among countries.

The client contact is Rollie Woltjen at (314) 436-9235.

Canadian advisers will be ranked and profiled in the July 9 issue.

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Chase Investors Management Corp.

1211 Avenue of the Americas, New York, N.Y. 10036; (212) 730-2967

Chase Investors managed U.S. tax-exempt assets totaling $11 billion as of Jan. 1. Of this, $138 million was invested in foreign stocks. The firm has 205 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $15 billion as of the beginning of the year.

As of March 31, the equity assets were committed most heavily in Japan, 48.4%; Germany, 13.9%; Singapore, 9.1%; the Netherlands, 6.6%; Switzerland, 5%; and the United Kingdom, 5%.

Minimum account size for individual management is $10 million.

The firm or its parent have analysts or portfolio managers stationed in New York and London.

The firm uses an actively managed, equity-oriented investment stance with equal emphasis on market and stock selection and including opportunistic currency overlay. Market judgments are highly centralized and stock selections are decentralized, with portfolio managers determining strategies and tactics within their markets.

The firm is a registered adviser with the SEC.

The client contact is Edward V. Arbaugh III at (212) 730-3744.

Chemical Bank

180 Strand, London, WC2R 1ET, England; 380-5437

Chemical Bank managed $53 million internationally for 55 U.S. tax-exempt funds as of Jan. 1. Overall, Chemical managed $11 billion in U.S. tax-exempt assets.

Total U.S. and non-U.S. assets under management by the parent or its subsidiaries were $15 billion as of the beginning of the year.

As of March 31, the equity assets were committed most heavily in Japan, 41%; the United Kingdom, 18%; Switzerland, 8%; Australia, 7%; and the Netherlands, 7%.

Minimum account size for individual management is $5 million.

Analysts or portfolio managers are stationed in London, Singapore and New York.

The firm uses a contrarian approach that focuses on stock selection. A relative-value stock selection process with quantified objectives is used. In the major markets, the firm uses a top-down methodology. Other markets follow stock selection priorities.

Robert Colvill is the client contact.

Citibank

1 Citicorp Center, 153 E. 53rd St., New York, N.Y. 10043; (212) 559-9700

Citibank, a subsidiary of Citicorp, managed $300 million of U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $240 million was invested in foreign stocks and $60 million in foreign bonds. The firm has 75 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $24 billion at the beginning of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 51%; the United Kingdom, 15%; Germany, 5%; Canada, 4%; and Australia, 3%.

Analysts or portfolio managers are stationed in London, Hong Kong, Geneva, Zurich, New York, Houston and San Francisco.

Minimum account size for individual management is $5 million.

The firm uses active management with an orientation to growth. Portfolios are diversified, with specialization in growth stocks. Stock selection is regionalized for day-to-day decisions with specialists in Europe and the Far East. Asset allocation is controlled centrally.

The client contact is Barry Gillman, vice president, at (212) 559-9181.

Continental Illinois National Bank & Trust Co. of Chicago

162 Queen Victoria St., London, EC4V 4BS, England; 011-441-236-7444

As of Jan. 1, Continental Illinois had $9 million invested in foreign stocks and $3 million invested in foreign bonds through two commingled funds.

As of March 31, the equity assets were committed most heavily in Japan, 48%; Germany, 12%; the United Kingdom, 10%; the Netherlands, 7%; and Switzerland, 5%.

The minimum size for individual management is $5 million.

Analysts or portfolio managers are based in London, Zurich, Geneva, Hong Kong and Chicago.

It uses a top-down/bottom-up strategy to invest in equities, stressing currency, market and sector/stock selection. Its active management style, used between and within markets, is based on forecasts of total returns and risk analysis. Emphasis is on tailor-made portfolios and close interactions with clients. Continental Illinois also believes a balanced bond and equity approach has a place in international diversification.

The client contacts are Geoffrey Osmint, vice president, in London, and George Wingerter, vice president, in Chicago at (312) 828-4427.

CSFB Investment Management Ltd.

22 Bishopgate, London, EC2N 4BQ, England; 01-283-4200

CSFB Investment Management Ltd. is the investment management subsidiary of Financiere Credit Suisse-First Boston. The company is considering seeking ERISA assets.

It is mainly a fixed-income international manager for pension funds, insurance companies, multinational corporations and central banks. The company offers different types of portfolios, including cash management, floating rate, fixed-income multicurrency and convertible bond portfolios.

The firm is not registered with the SEC.

Manfred Adami, managing director, and Michael J.W. Daley, investment manager, are the client contacts.

C.S. Investment Management Ltd.

125 High Holborn, London, WC1V 6PY, England; 01-242-1148

C.S. Investment Management Ltd., a subsidiary of C.S. Investments Ltd., managed no U.S. tax-exempt assets as of Jan. 1.

Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $390 million.

As of March 31, equity assets were invested most heavily in the United States, 50%; the United Kingdom, 20%; Japan, 20%; Germany, 6%; and France, 2%.

Minimum account size for individual management is $2 million.

Analysts or portfolio managers are stationed in London.

Piers Mountstephens is the client contact.

Martin Currie Inc.

29 Charlotte Square, Edinburgh, Scotland; 011-44-31-225-3811

As of Jan. 1, Martin Currie & Co. had $60 million of U.S. tax-exempt assets invested internationally, all in stocks. The firm has four U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $830 million as of the beginning of the year.

As of March 31, the equity assets were invested most heavily in Japan, 51%; the United States, 13%; the United Kingdom, 11%; Germany, 8%; and the Netherlands, 6%.

Minimum account size for individual

management is $10 million.

All the firms activities are centralized in Edinburgh.

The firm's investment aim is to add value by stock selection and by choice of markets. Market selection is strongly influenced by currency considerations and emphasis is placed on first-hand knowledge of company managements in picking stocks. Investment horizons are medium term, except in Japan and in commodity markets where a shorter term is adopted.

The firm is registered with the SEC.

The client contact is David Skinner.

d

Daiwa International Capital Management Corp.

1 Liberty Plaza, 91 Liberty St., New York, N.Y. 10006; (212) 732-6600

Daiwa International, a subsidiary of Daiwa, Japan, had U.S. tax-exempt assets of $110 million managed internationally as of Jan. 1. Of this amount, $100 million was invested in foreign stocks. The firm has four U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $4 billion as of the same date.

As of March 31, international equity assets were invested most heavily in Japan, 96%, Australia and Singapore.

Analysts or portfolio managers are stationed in Tokyo, London and New York.

Minimum account size for individual management is $5 million.

Daiwa is a research-oriented, active manager, seeking incremental returns from equity investment in Pacific Basin markets. The stock selection process focuses on a company's long-term growth potential and the relative value of its stock price.

The firm has been registered with the SEC since 1981.

The client contact is Shunsuke Ichijo, vice president, in New York.

e

Eaton & Howard, Vance Sanders Inc.

24 Federal St., Boston, Mass. 02110; (617) 482-8260

Eaton & Howard, Vance Sanders Inc. managed U.S. tax-exempt assets of $665 million as of Jan. 1. Of this, $26 million was invested in foreign stocks and $2 million in foreign bonds. The firm has 89 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $3.1 billion as of the beginning of the year.

As of March 31, the equity assets were invested most heavily in Canada, 30%; Japan, 20%; Great Britain, 20%; the Netherlands, 20%; and Australia, 10%.

Minimum account size for individual management is $1 million.

Analysts or portfolio managers are stationed in Boston and San Francisco.

The firm concentrates on securities of companies with future values providing high potential for appreciation. The firm's objective is to seek out securities likely to benefit from improving fundamentals related to sales, margins, returns on equity and assets, and per-share earnings and dividend growth.

Perceptions of management, products and services, and future value based on the opinions of competitors, users, suppliers and analytical sources are important to buy-sell decisions.

The firm has been registered with the SEC since 1940.

The client contact is John H. Wise Jr., vice president.

Eberstadt Asset Management

61 Broadway, New York, N.Y. 10006; (212) 480-8600

Eberstadt Asset Management had U.S. tax-exempt assets of $175 million invested in foreign equities for 45 clients as of Jan. 1.

Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $2.5 billion as of the beginning of the year.

Analysts or portfolio managers are stationed in New York. The firm also uses consultants based in France, Germany and the Netherlands.

As of March 31, international equity assets were invested most heavily in Japan, 38%; Germany, 14%; the Netherlands, 12%; Switzerland, 11%; and the United Kingdom, 8%.

Minimum account size for individual

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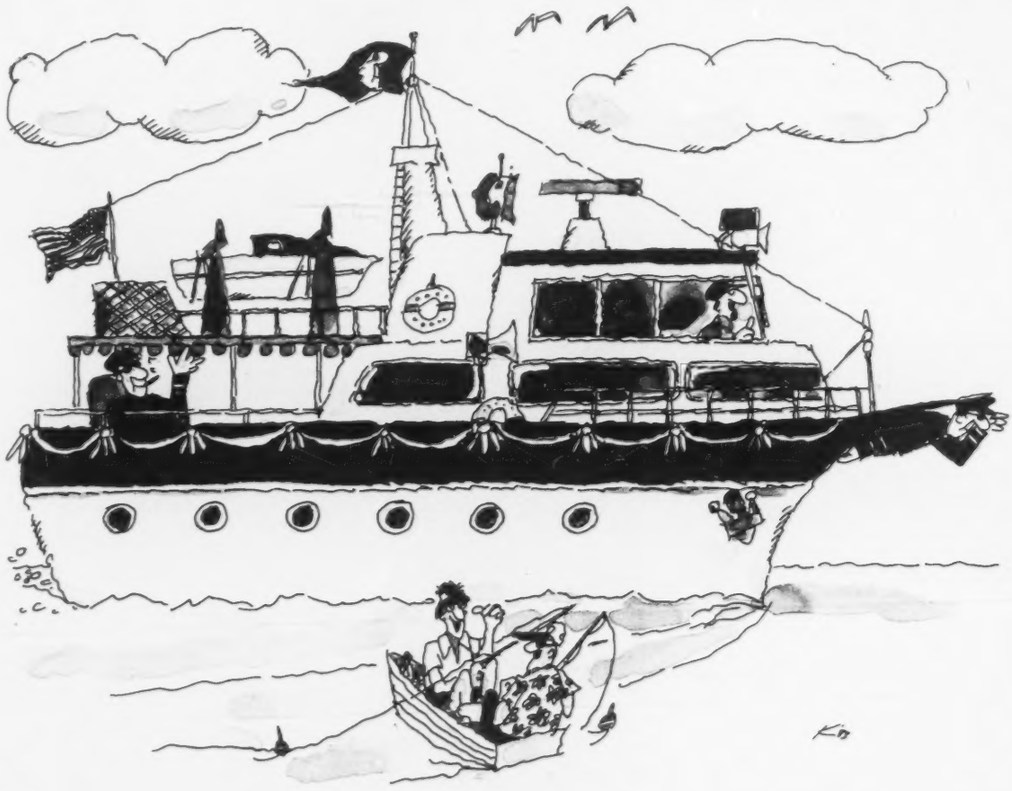

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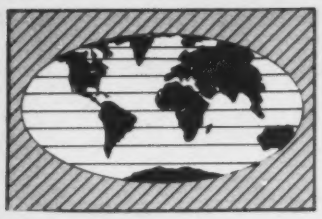

management is $5 million.

Through intensive bottom-up research, the firm identifies and invests in companies it believes will produce superior growth in earnings, dividends and cash flow, and superior growth in assets. Eberstadt focuses on companies that have or will have incremental unit volume growth and improving profitability.

The company has been registered with the SEC since 1938.

Leo Clemente, vice president, is the client contact, at (212) 480-8688.

Eurogan

Sears Crescent, City Hall Square, Boston, Mass. 02108; (617) 723-7220

Eurogan, a subsidiary of Groupes Des Assurances Nationales, has no U.S. tax-exempt assets invested overseas. Total U.S. and non-U.S. assets under management by GAN and its subsidiaries were $5 billion as of Jan. 1.

Eurogan hopes to invest in equities of the United States, Japan, Germany, France and the United Kingdom.

Analysts or portfolio managers are stationed in Paris.

Minimum account size for individual management is $10 million.

The firm's investment approach is to define the risk/reward potential of each international market it monitors. There is an emphasis on medium- to long-term, value-oriented considerations rather than shorter term technical or fundamental factors. The firm uses advanced techniques for security valuation and portfolio risk control.

The firm has been registered with the SEC as an investment adviser since 1980.

Client contacts are M. Oliver Maumus in Paris at 247-5326, and John M. Heckler in Boston.

European & Pacific Investment Management

1100 Melville St., #620, Vancouver, V6E 4A6, British Columbia; (604) 687-7306

European & Pacific Investment Management Ltd. and its parent, AMI Asset Managment International, had $3.9 billion (Canadian) of U.S. and non-U.S. assets under management as of Jan. 1.

It has no U.S. tax-exempt clients.

As of March 31, the equity assets were invested most heavily in Japan, 47.3%; the United Kingdom, 10.3%; Australia, 8.3%; the Netherlands, 7%; and France, 6.2%.

Minimum account size for individual management is $10 million (Canadian).

Analysts or portfolio managers are stationed in Tokyo, Singapore, Kuala Lumpur, Melbourne, Manila and New York. Investment management is delegated to Robert Fleming, London, and Jardine Fleming, Hong Kong.

The firm offers its Canadian clients international investment services including two unit trusts with a total market value of $137 million as of Jan. 1 and, more recently, a full range of segregated management services. Its overseas investment managers use a fundamental approach and pay particular attention to the smaller, faster growing markets in Europe and the Pacific.

The client contact is Brien D. Gillespie.

A cash management directory, to be published July 23, will detail banks, service networks, consultants and professional associations.

f

Fidelity International Investment Management

82 Devonshire St., Boston, Mass. 02109; (617) 726-0330

Fidelity International Investment, a subsidiary of FMR Corp., managed U.S. tax-exempt assets of $725 million as of Jan. 1. Of this, $675 million was invested in foreign stocks. The firm has 18 U.S. tax-exempt clients.

As of March 31, the equity assets were invested most heavily in Japan, 55.7%; the United Kingdom, 11.4%; and the Netherlands, 7%.

Analysts or portfolio managers are stationed in London, Hong Kong, Tokyo and Boston.

Minimum account size for individual management is $20 millicn.

For investing U.S. tax-exempt assets, the firm's approach is aimed at superior returns. Once an internationally diversified portfolio is allocated to an area or country, assets are managed locally to the greatest extent possible by experienced investment professionals who understand the nuances of their respective markets.

The firm has been registered with the SEC since 1977.

The client contact is William B. Fink.

Fiduciary Trust Co. of New York

2 World Trade Center, New York, N.Y. 10048; (212) 466-4100

Fiduciary Trust managed $220 million for 29 U.S. tax-exempt clients as of Jan. 1. Of that, $70 million was invested in foreign stocks and $150 million in foreign bonds.

Total U.S. and non-U.S. tax-exempt assets under management by the parent and its subsidiaries were $8.4 billion as of the beginning of the year.

This year's total excludes one client, the United Nations Joint Staff Pension Fund.

As of March 31, the equity assets were committed most heavily in Japan, 41%; Germany, 10%; the Netherlands, 9%; Switzerland, 7%, and the United Kingdom, 10%.

Minimum account size for individual management is $5 million.

Analysts or portfolio managers are stationed in New York, London, Los Angeles and Geneva.

The company's investment approach for U.S. tax-exempt assets is based on a global perspective that emphasizes asset allocation decisions, the competitive positions of markets and industries worldwide, flexibility and individual selection based on fundamental changes rather than short-term events.

The client contacts are Thomas A. Veitch in London at 01-439-8946; and George J. Mullen Jr. in New York at (212) 466-4100.

Management consultants, Aug. 6.

First Chicago Investment Advisors

3 First National Plaza, Suite 0106, Chicago, Ill. 60670; (312) 732-6400

First Chicago Investment Advisors managed U.S. tax-exmpt assets of $5.3 billion as of Jan. 1. Of this total, $120 million was invested in foreign stocks and $85 million in foreign bonds. The firm has 308 U.S. tax-exempt clients, 58 of whom have international accounts.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $5.6 billion.

As of March 31, the equity assets were invested most heavily in Japan, 45.6%; the United Kingdom, 15.8%; Germany, 10.2%; Canada, 5.6%; and Australia, 3.6%.

Minimum account size for individual management is $1 million.

Analysts or portfolio managers are stationed in London and Chicago.

First Chicago Investment's London

BRIGHT FUTURE.

Chessie System Railroads

Seaboard System Railroad

Texas Gas Resources

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These additional power plants include 28 new coal-fired generating facilities and another 26 oil-burning units which are being converted to coal—all capable of receiving CSX-originated coal shipments.

Combined with the 102 plants now served, that's a significant growth indicator for both coal and CSX Corporation. Because the nation's demand for electric

office is an active manager of diversified international equity and fixed-income portfolios. The firm uses internally developed valuation models, risk systems and other quantitative techniques in a structured decision process. The equity approach is value-oriented and identifies mispriced markets and securities. Fixed income is treated as a separate class, with interest rate and currency forecasts integrated into strategic forecasts.

The client contact is Thomas Andrews at (312) 732-1648.

First Investors Equity Management Co. Inc.

120 Wall St., New York, N.Y. 10005; (212) 825-7930

First Investors Equity Management managed U.S. tax-exempt assets of $106 million as of Jan. 1. Of this total, $26 million was invested in foreign stocks.

The firm has one U.S. tax-exempt client.

Total U.S. and non U.S. tax-exempt assets under management by the parent organization and subsidiaries were $2 billion as of the beginning of the year.

As of March 31, the equity assets were invested most heavily in Hong Kong, 20.7%; Spain, 18.5%, Canada, 12.7%, Israel, 11.4%; and the Philippines, 10.6%.

Minimum account size for individual management is $5 million.

Analysts or portfolio managers are stationed in New York.

The firm uses a contrarian approach. Its fundamental belief is that growth of capital can be achieved through the purchase of common stocks at their lowest possible price relative to intrinsic value. First Investors tries to acquire the best possible value by taking advantage of the inefficiencies of both the U.S. and foreign securities markets and by studying economic trends.

The firm is registered with the SEC.

The client contact is F. Allen Dudley, vice president-marketing.

Foreign and Colonial Asset Management

45 Wall St. New York, N.Y. 10005; (212) 806-4480; 1 Laurence Pountney Hill, London, EC4R OBA, England; 01-623-4253

Foreign and Colonial Asset Management, a registered SEC investment adviser, is a partnership of Foreign & Colonial Management Group of London and United States Trust Co. of New York. The firm manages $35 million for eight U.S. tax-exempt clients. All of the assets were in international equities.

Total U.S. and non-U.S. assets managed by the parent organizations were $10.2 billion and $2 billion, respectively. The latter figure being global investments.

As of March 31, the equity assets were invested most heavily in Japan, 38%; the United Kingdom, 18%; the Netherlands, 12%; Australia, 5%; and Singapore, 5%.

Minimum account size for separate management is $2 million.

For investing U.S. tax-exempt assets, the firm establishes country/currency, cash/equity and industry/sector guidelines. It specializes in selecting medium-capitalized growth companies with a three- to five-year time horizon. Larger capitalized issues are used in selected markets to provide liquidity and trading opportunities.

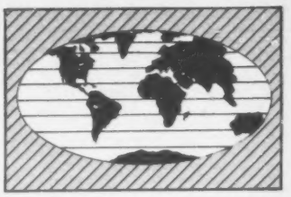
The client contact is John K. Holland, vice president and senior marketing officer, at (212) 806-4480.

Froley, Revy Investment Co.

10900 Wilshire Blvd. #1050, Los Angeles, Calif. 90024; (213) 208-4938

Froley, Revy Investment Co. has $8.8 million invested internationally for six U.S. tax-exempt clients. Of the total, $3.5 million is equity and $5.25 million is fixed income. Total U.S. and non-U.S. assets under management are $202 million; $175 million is tax-exempt.

The foreign investments are in Canada and Eurodollar convertible bonds.



Froley, Revy follows a highly diversified investment approach and seeks high yield. The minimum separate account is $1 million. The firm has been registered with the SEC since 1975.

Thomas Revy is the client contact.

g

Globe Finlay Inc.

245 Park Ave., New York, N.Y. 10167; (212) 557-7022

Globe Finlay is the U.S.-based member of the Globe International Group, a multinational team of managers running more than $150 million from offices in New York, London, Geneva, Tokyo and Bermuda.

Assets managed in New York include $70 million committed by four North American tax-exempt clients. Accounts are both global and international.

The primary object of management is to obtain superior returns; the vehicles are normally equities, but bonds or cash may be used as alternatives when appropriate.

Depending on a portfolio's geographic limitations, and on the firm's current strategy, investments are concentrated in six to eight markets and approximately 50 positions. Minimum account size is $5 million.

Ralph DiFiore, senior vice president, is the client contact.

Grantham, Mayo, Van Otterloo

125 High St., Boston, Mass. 02110; (617) 574-4817

Grantham, Mayo, Van Otterloo & Co. managed U.S. tax-exempt assets of $153 million overseas as of Jan. 1. The entire amount was invested in foreign stocks. The firm has 12 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $870 million as of the start of the year.

As of March 31, the international equity assets were invested most heavily in the United Kingdom, 28%; Japan, 22%; the Netherlands, 10%; Hong Kong, 9%; and Germany, 8%.

Analysts or portfolio managers are stationed in Boston.

For investing U.S. tax-exempt assets, the firm decides value as determined by back-tested investment parameters modified by up-to-date judgments based on readily available local information.

The firm has been registered with the SEC since 1977. The client contact is Eyk Van Otterloo, partner.

G.T. Capital Management

601 Montgomery St., Suite 1400, San Francisco, Calif. 94111; (415) 392-6181

G.T. Capital Management managed U.S. tax-exempt assets of $590 million as of Jan. 1. Of that, $550 million was invested in foreign stocks. The firm has 18 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent and subsidiaries were $3.4 billion as of the beginning of the year.

As of March 31, the equity assets were invested most heavily in Japan, 40%; the United Kingdom, 23%; Germany, 5%; and Australia, 4%.

Minimum account size for individual management is $15 million.

Analysts or portfolio managers are

Fifty-Four More Coal-Fired Electric Power Plants Are Scheduled For The CSX Railroads' Territory By 1991.

power has been steadily increasing during economic recovery. And because the CSX railroads make up the largest coal-hauling system in the world.

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For more information on CSX, write to Corporate Communications, P.O. Box C-32222, Department F-3 C, Richmond, VA 23261.

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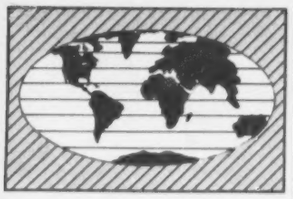


in London, Hong Kong, Sydney, San Francisco and Menlo Park, Calif.

The firm combines a top-down approach to geographic allocation (growth economies) with a bottom-up approach to security selection (growth companies) in its U.S. tax-exempt asset investment strategy.

The firm has been registered with the SEC since 1974.

The client contact is Mary Lou Bernhoft, vice president.

h

Holborn International Portfolio Managers

450 Park Ave., New York, N.Y. 10022; (212) 980-0977

Holborn International, a subsidiary of Prudential Corp. Ltd., has no U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $25 billion as of Jan. 1.

Analysts or portfolio managers are stationed in London.

Minimum account size for individual management is $5 million.

Holborn manages equity allocation and currency exposure separately, enabling the portfolio to experience the optimum distribution of equity markets and currency exposure. The firm invests in a broad range of equity markets, and both the individual country and total portfolios differ markedly from index positions. Emphasis is placed on quality growth.

The firm has been registered with the SEC since 1982.

The client contacts are Thomas Guillet and Peter Whelpton in New York.

HT Investors Inc.

15 Westminster St., Providence, R.I. 02903; (401) 278-8899

HT Investors had U.S. tax-exempt assets of $5.6 million invested in foreign stocks as of Jan. 1. In all, it managed $800 million in U.S. tax-exempt assets for 179 clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $2.5 billion as of the same date.

As of March 31, the equity assets were invested most heavily in the United Kingdom, 19.6%; Japan, 20.1%; Scandinavia, 11%; the Netherlands, 9.7%; and Germany, 8.9%.

There is no minimum account size for individual management.

For fixed income, the firm uses a rigid top-down approach. For equity, a bottom-up approach emphasizing growth and value is used.

The firm has been registered with the SEC since 1982.

The client contact is Richard Fitts at (401) 278-8853.

i

IDS-Gartmore International

3100 IDS Center, Minneapolis, Minn. 55402; (612) 372-2026

IDS-Gartmore International is the new entity formed by the breakup of IDS Advisory-Gartmore International. IDS/American Express will assume 100% ownership of the firm June 15.

As of Jan. 1, IDS Advisory-Gartmore international had $25 million in U.S. tax-exempt assets under management, entirely invested in foreign stock. The firm has four U.S. tax-exempt clients.

As of April 1, 1984, the firm had $40 million U.S. tax-exempt assets invested internationally.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $29 billion as of Jan. 1.

As of March 31, the equity assets were invested most heavily in Japan, 46%; the United Kingdom, 13%; Hong Kong, 10%; Sweden, 8%; and Holland, 7%.

Minimum account size for individual management is $5 million.

Analysts or portfolio managers are based in London, Hong Kong, Glasgow and Minneapolis.

The firm's investment strategy employs both top-down and bottom-up approaches, blending them to allow decisions in one area to transmit through to another. This creates a unique style providing the flexibility and awareness necessary in international investment management. The client contact is William C. Daniels.

Ivory & Sime International

39 Main St., P.O. Box 6, Chatham, N.J. 07928; (201) 635-6700

Ivory & Sime International managed North American tax-exempt assets of $123.9 million as of Jan. 1. Of the total, $86.3 million was invested in foreign stocks and $200,000 in foreign bonds.

The firm has four U.S. tax-exempt clients and one Canadian tax-exempt client.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $3 billion as of the beginning of the year.

As of March 31, the equity assets were invested most heavily in Japan, 55%; the Netherlands, 9%; Germany, 8%; Hong Kong, 8%; and the United Kingdom, 6%.

Minimum account size for individual management is $5 million.

All analysts/portfolio managers are headquartered in Edinburgh, Scotland.

For investing U.S. tax-exempt assets the firm uses a long-term fundamental, research-based approach with primary emphasis on stock selection and identifying superior companies in a global context.

The firm has been registered with the SEC since 1978.

Keith H. Wood is the client contact at (201) 635-6700.

k

Kangyo Kakumaru Capital Management Corp.

1 State Street Plaza, New York, N.Y. 10004; (212) 509-4661

Kangyo Kakumaru Capital had no U.S. tax-exempt assets under management as of Jan. 1. It managed total U.S. and non-U.S. assets of $587 million as of that date.

As of March 31, the equity assets were invested most heavily in Japan, 94%; the United States, 4%; Luxembourg, 1%; and Germany, 1%.

Minimum size for individual management is $1 million.

Analysts or portfolio managers are in Tokyo and New York.

The firm's investment approach emphasizes the importance of fundamental analyses that include economic, industrial and corporate factors, as well as the importance of market psychology analysis. It tailors a portfolio to maintain optimum balance between investment vehicles in order to minimize risks and to maximize the expected returns. The firm endeavors to maintain a close relationship with its clients.

The firm has been registered with the SEC since 1983.

The client contact is Keiji Wada, president, at (212) 509-4661.

Kemper-Murray Johnstone International

120 S. LaSalle St., Chicago, Ill. 60603; (312) 845-1880

Kemper-Murray Johnstone International managed U.S. tax-exempt assets of $175 million as of Jan. 1. Of that, $75 million was invested in foreign stocks and $100 million in foreign bonds. The firm has 19 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organizations and subsidiaries were $22.1 billion as of the beginning of the year.

As of March 31, the equity assets were invested most heavily in Japan, 35%; the United Kingdom, 10%; France, 6%; Germany, 6%; and South Africa, 6%.

Minimum size for individual management is $5 million.

Analysts or portfolio managers are stationed in Glasgow, Scotland, and Chicago.

The firm uses an active international equity strategy and active currency management. It tracks 17 non-U.S. stock markets and is growth biased with relative value analysis and transactional sector analysis for equities. It uses bonds for cyclical and defensive purposes.

The firm has been registerd with the SEC since 1980.

The client contact is Gavin Dobson.

Kleinwort Benson International Investment

100 Wall St., New York, N.Y. 10005; (212) 747-0440

Kleinwort Benson International Investment Ltd. managed U.S. tax-exempt assets of $312 million for 13 clients as of Jan. 1. Of the total, $272 million was in foreign stocks, $40 million in foreign bonds.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $6 billion as of the same date.

As of March 31, the equity assets were invested most heavily in Japan, 24%; the United Kingdom, 17%; the Netherlands, 12%; Australia, 11%; and France, 9%.

Minimum fee for individual management is $25,000.

Analysts or portfolio managers are stationed in London, New York, Hong Kong, Tokyo, Melbourne, Bremen, Brussels and Geneva.

The firm is equity oriented and favors a bottom-up approach. Equities are selected for their growth characteristics and good value in their markets, rather than the country or currency in which they are traded. Fixed income is invested on a top-down basis, with interest rate and currency trends being of primary importance.

The firm has been registered with the SEC since 1980.

Donald Hurley Jr., director, is the client contact.

l

Lipper Analytical Services

5 Carol Road, Westfield, N.J. 07090; (201) 233-8100

Lipper Analytical Services Inc. managed $92 million for 11 U.S. tax-exempt clients as of Jan. 1. Of that, only $3.4 million was invested overseas.

Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $102 million.

As of March 31, the equity assets were invested most heavily in Japan, the Netherlands, Australia, Germany, and the United Kingdom.

Minimum account size for individual management is $2 million.

Analysts or portfolio managers are stationed in New York.

Client portfolios are invested in open-end (mutual funds) and closed-end funds with emphasis on diversification, specialization, rotation and low valuation.

The firm believes in broad diversification of investment styles across domestic and international equities. Whenever permitted, up to 10% of a portfolio might be invested in foreign securities.

The firm has been registered with the SEC since 1973.

The client contact is Henry Shilling at (212) 269-4080.

Lombard Odier International Portfolio Management Ltd.

717 Fifth Ave., New York, N.Y. 10022; (212) 750-9830

Lombard Odier International managed U.S. tax-exempt assets of $110 million as of Jan. 1. Of that, $55.5 million was invested in foreign stocks. The firm has four U.S. tax-exempt clients.

Last year's figure for international investment included $62 million in non-U.S. assets.

As of March 31, the equity assets were invested most heavily in Japan, 54.2%; the United Kingdom, 8.4%; the Netherlands, 8.3%; France, 5.8%; and Hong Kong, 7%.

Minimum account size for individual management is $5 million.

Analysts or portfolio managers are stationed in London and Geneva.

Lombard Odier International bases its asset allocation process — consisting of interrelated decisions on currencies, markets, securities and gold — on an expected return for each asset group while taking into account factors of volatility and risk as they are applicable to international investment. An allocation matrix is drawn up and updated at weekly meetings.

The firm has been registered with the SEC since 1978.

George M. Yaneff, president, is the client contact.

m

Mellon-Pictet International Management Ltd.

Cutlers Gardens, 5 Devonshire Square, London, EC2M 4LD, England; 551 Madison Ave., New York, N.Y. 10022; (212) 702-5267

Mellon-Pictet International Management, a subsidiary of Pictet & Cie, has $110 million invested in international stocks for six U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent and subsidiaries were $310 million as of Jan. 1.

As of March 31, the equity assets were invested most heavily in Japan, 52%; the United Kingdom, 11%; Australia, 9%; Germany, 9%; and the Netherlands, 8%.

Minimum account size for individual management is $5 million.

Analysts or portfolio managers are stationed in London, Tokyo and Geneva.

The firm actively pursues superior returns through highly concentrated portfolio structure. The emphasis is on fundamental analysis through a strong in-house research effort. Priority is placed on asset allocation decisions with stock selection delegated to country specialists.

The firm has been registered with the SEC since 1980.

The client contacts are Rod Hearn in New York at (212) 702-5268, and Dan Blanks in London at 01-283-7471.

Merrill Lynch Asset Management Inc.

633 Third Ave., New York, N.Y. 10017; (212) 692-2000

As of Jan. 1, Merrill Lynch Asset Management, a subsidiary of Merrill Lynch & Co., managed U.S. tax-exempt assets of $303 million overseas. Of the amount, $100 million was invested in foreign stocks and $154 million in foreign bonds.

Total U.S. and non-U.S. assets under management were $46 billion as of Jan. 1.

As of March 31, international equity assets were invested most heavily in Japan, 35%; Germany, 20%; the Netherlands, 15%; and Switzerland and Australia, 10%.

Analysts or portfolio managers are stationed in New York, London, Tokyo and Hong Kong.

Minimum account size for individual management is $500,000.

For investing U.S. tax-exempt assets, the firm emphasizes prudent diversification of assets by currency, economic sector, industry and asset category, with weighting in each area dependent on analysis of economic and political factors as well as the level of market valuation in each country.

The firm has been registered with the SEC since 1976.

Richard Jacobson, senior vice president, is the client contact at (212) 692-8001.

Morgan Grenfell Investment Services Ltd.

520 Madison Ave., Suite 3900, New York, N.Y. 10022; (212) 715-1700

Morgan Grenfell Investment Services Ltd., a subsidiary of Morgan Grenfell & Co., managed tax-exempt assets of $754 million for 33 U.S. clients as of Jan. 1.

Of that, $743 million was invested in foreign stocks and $11 million in foreign bonds.

Total U.S. and non-U.S. assets under management by the parent and subsidiaries were $9.8 billion as of Jan. 1.

As of March 31, the equity assets were invested most heavily in Japan, 53%; Germany, 12%; the Netherlands, 9%; Scandinavia, 7%; and Australia, 5%.

Minimum account size for individual management is $10 million.

Analysts or portfolio managers are based in London, Tokyo, Sydney, Singapore and Geneva.

Morgan Grenfell Investment is an active manager that focuses simultaneously on stock market selection and stock selection within markets. This is possible because each portfolio manager has research responsibility. No investment is made without considering the currency impact. All stocks are reviewed to determine if return objectives have been achieved.

The firm has been registered with the SEC since 1977.

The client contact is Elliott M. Gartner, director.

Morgan Guaranty Trust Co. of New York

30 Throgmorton St., London, EC2N 2DT, England; 01-600-2300

Morgan Guaranty Trust Co. managed $2.2 billion internationally for U.S. tax-exempt investors as of Jan. 1. The firm has 32 separate U.S. tax-exempt clients, and two commingled funds consisting of 250 clients.

Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $37 billion, as of April 30.

As of March 31, the equity assets were invested most heavily in Japan, 62%; Germany, 20%; the United Kingdom, 10%; Switzerland, 4%; and the Netherlands, 3.5%.

Minimum account size for individual management is $10 million to $15 million.

Analysts or portfolio managers are stationed in London, New York, Singapore and Tokyo.

To construct the optimal portfolio for U.S. tax-exempt assets, the firm integrates global macro and micro research by a team of multinational analysts with the portfolio managers' knowledge of international markets and the clients' objectives. The company focuses on stock, currency and market selection.

The client contacts are Stephanie Sandell at (44-1) 600-2300 Ext. 3857, and in New York, Nicola R. Ozanne, (212) 826-7449.

n

New Japan Capital Management (USA) Inc.

1 World Trade Center, Suite 4959, New York, N.Y. 10048; (212) 938-5602

New Japan Capital Management (USA) had no U.S. tax-exempt assets under management as of Jan. 1. Total U.S. and non-U.S. assets under management by the parent and subsidiaries were $444 million.

The minimum account size for individual management is $1 million.

Analysts or portfolio managers are stationed in Tokyo and New York.

The firm's investment approach provides a mixture of top-down and bottom-up strategies. Equities are classified by growth; emerging growth; and cyclical based on growth potential, industry leadership, capitalization, beta and P/E ratios. Computer-aided, optimal portfolios are formulated according to client preferences.

The firm has been registered with the SEC since 1982.

Hiroshi Takahashi, senior vice president, is the client contact at (212) 938-5604.

Nikko International Capital Management Co. (America) Inc.

140 Broadway, New York, N.Y. 10005; (212) 747-9823

Nikko International Capital Management Co. (America) had $74 million invested internationally for four U.S. tax-exempt clients as of Jan. 1.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $1.1 billion as of the same date.

As of March 31, equity assets were invested most heavily in Japan, 80%, and the United States, 20%.

Minimum account size for individual management is $2 million.

Analysts or portfolio managers are stationed in Tokyo, New York and London.

Nikko's growth-stock management concentrates on Japan and other Pacific Basin countries.

It is characterized by fundamental research-in-depth using a combination of top-down and bottom-up methods.

It uses a buy and hold approach to growth stocks with high earnings growth rates and relatively low P/E multiples adjusted to potential earning growth rates.

The firm has been registered with the SEC since 1981.

Tetsuya Murakami, senior vice president, is the client contact in New York.

Nomura Capital Management

180 Maiden Lane, Suite 3703, New York, N.Y. 10038; (212) 509-8181

Nomura Capital, a subsidiary of Nomura Investment Management Co., managed U.S. tax-exempt assets of $174 million internationally as of Jan. 1.

Of this, $163 million was invested in foreign stocks. The company has nine U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and its subsidiary were $2.5 billion as of Jan. 1.

As of March 31, the international equity assets were invested most heavily in Japan.

Analysts or portfolio managers are stationed in Tokyo, Kamakura, Osaka, New York, Singapore, Hong Kong, London and Washington.

Minimum account size for individual management is $5 million.

For investing U.S. tax-exempt assets, the company is equity oriented. The investment horizon is long term. Major emphasis is placed on growth stocks with some exposure to cyclicals. Original research is used extensively for both top-down and bottom-up analyses.

The firm has been registered with the SEC since 1976. The client contact is Brian X. Fitzgibbon, senior vice president, at (212) 668-8629.

The Northern Trust Co.

50 S. LaSalle St., Chicago, Ill. 60675; (312) 630-6000

The Northern Trust Co. managed U.S. tax-exempt assets of $4.9 billion as of Jan. 1. Of that total, $3.9 million was in international markets for one tax-exempt client with $2.1 million in stocks and $1.8 million in bonds.

Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $13.6 billion as of the beginning of the year.

As of March 31, the equity assets were invested most heavily in Japan, 30%; the United Kingdom, 11%; Germany, 9%; Switzerland, 7%; the Netherlands, 7%; France, 7%; and Italy, 7%.

Minimum account size for individual management is $100,000.

Analysts or portfolio managers are stationed in Geneva and Chicago.

For investing U.S. tax-exempt assets, the firm uses extensive analysis of economies, currencies, financial markets and individual companies. It seeks to maximize returns consistent with an acceptable level of risk. The firm is registered with the SEC.

The client contact is Thomas Kimen, senior vice president.

p

Paribas Becker Asset Management Inc.

120 Wall St., New York, N.Y. 10005; (212) 747-4603

Paribas Becker Asset Management is a new investment management firm. It has no U.S. tax-exempt clients yet.

Its parents, Banque Paribas and Becker Paribas had total assets of $2 billion under management as of Jan. 1.

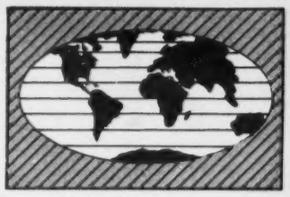
As of March 31, those assets were committed most heavily in the United States 46%; Japan, 19%; the United Kingdom, 10%; West Germany, 5%; and Singapore, 4%.

Minimum account size for individual management is $2 million.

The firm has portfolio managers or analysts stationed in Paris, New York and Geneva.

The firm actively moves assets among markets, currencies and asset types to take advantage of differing market opportunities. Relative weightings in each market are made on the basis of forecasted rates of return for equities, bonds, cash and other investment alternatives.

These forecasts are made after studying economic, currency, political, industry and company trends as



well as technical market considerations at any given time.

The firm is registered with the SEC.

The client contacts are Anthony Wilson in Chicago at (312) 630-5609 and Denis R. Bastin in New York at (212) 747-4593.

Alan Patricof Associates

545 Madison Ave., New York, N.Y. 10022; (212) 753-6300

Alan Patricof Associates had $4.2 million invested internationally for six U.S. tax-exempt clients as of Jan. 1. All of it was in venture capital.

Total U.S. and non-U.S. assets

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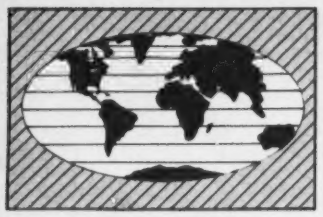


under management by the firm were $230 million at the start of the year. Analysts or portfolio managers are stationed in New York, California, London and Paris.

As of March 31, the international equity assets were invested most heavily in England and France.

For investing U.S. tax-exempt assets, the firm manages funds in the venture capital area, operating seven closed-end pools in the United States, United Kingdom and France. Each pool contains the funds from pension accounts in all countries involved.

The client contact is Alan J. Patricof, chairman.

Rowe Price-Fleming International Inc.

100 E. Pratt St., Baltimore, Md. 21202; (301) 547-2141

Rowe Price-Fleming International Inc., a joint venture between Robert Flemings Holdings Ltd. and T. Rowe Price Associates, managed U.S. tax-exempt assets of $607 million internationally as of Jan. 1. Of this amount, $576 million was invested in foreign stocks and $31 million was in cash. The company has 22 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets of both parent organizations and subsidiaries were $31 billion as of the start of the year.

As of March 31, the international equity assets were invested most heavily in Japan, 51%; the United Kingdom, 10%; the Netherlands, 8%; Germany, 6%; Hong Kong, 5%; and Switzerland, 4%.

Analysts or portfolio managers are stationed in London, with research offices in Tokyo, Hong Kong, Melbourne, Singapore, Kuala Lumpur and Manila.

Minimum account size for individual management is $10 million.

Rowe Price-Fleming International's investment approach is one of active asset allocation based on fundamental research. The firm believes economic growth will be the principal source of return in international investing and it emphasizes stock selection to capture this. Research commitment in the Far East is strong, reflecting the favorable growth prospects there.

The firm has been registered with the SEC since 1979.

The client contact is David M. Gong, vice president, at (301) 547-2130.

The Prudential Insurance Co. of America

Prudential Plaza, Newark, N.J. 07101; (201) 877-3735

Prudential Insurance managed U.S. tax-exempt assets of $338 million internationally as of Jan. 1. Of this, $263 million was invested in foreign stocks and $75 million in international bonds. The company has 14 U.S. tax-exempt clients for whom it invests internationally.

U.S. and non-U.S. assets under management by the parent organization and subsidiaries totaled $74 billion at the beginning of the year.

As of March 31, the firm's international equity assets were committed most heavily in Japan, 42%; the United Kingdom, 17%; Germany, 9%; Australia, 9%; and the Netherlands, 7%.

Analysts or portfolio managers are stationed in Newark and Tokyo.

Minimum account size for individual management is $25 million over five years.

Prudential's approach to international investment follows a structured decision-making process, taking into account controlled risk characteristics. It incorporates fundamental and technical analysis of the foreign exchange markets, as well as stock and bond markets.

The company has been registered with the SEC since 1976.

James H. Gately is the client contact.

Putnam International Advisors

1 Post Office Square, Boston, Mass. 02109; (617) 292-1232

Putnam International Advisors managed $508 million for 32 U.S. tax-exempt clients as of Jan. 1. Of that, $335 million was invested in foreign stocks and $173 million in foreign bonds.

Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $11.8 billion as of the beginning of the year.

As of March 31, the equity assets were invested most heavily in Japan, 25%; Germany, 21%; the Netherlands, 10%; the United Kingdom, 8%; and France, 7%.

Minimum account size for individual management is $5 million.

Analysts or portfolio managers are in Boston, Tokyo and London.

Putnam's international investment approach is to seek maximum returns while assuming a risk profile in line with the EAFE index. Central to the firm's approach is the combination of qualitative judgments of its professional staff and quantitative management techniques to arrive at a strategy deployment of assets between various countries and cash.

The firm has been registered with the SEC since 1969.

The client contact is Stephen P. Langer, vice president.

r

Robeco International Investment Advisers B.V.

133 Heer Bokelweg, 3032 AD Rotterdam, Netherlands; 10-65-07-11

Robeco International Investment Advisers had no U.S. tax-exempt assets invested as of Jan. 1. Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $6.3 billion as of the same date.

As of March 31, the equity assets were invested most heavily in Japan, 52%; the United Kingdom, 10%; Germany, 8%; the Netherlands, 7%; and Australia 5%.

Minimum account size for individual management is $20 million.

Analysts or portfolio managers are based in Rotterdam.

The company uses a top-down approach. Investment strategy includes the use of gold and currency hedging, and portfolios generally are well-di-

versified both geographically and by sector.

The firm has been registered with the SEC since 1981.

Karel R.E. Schaedtler, in Rotterdam, is the client contact.

L.F. Rothschild, Unterberg, Towbin International Asset Management

Clements House, 14-18 Gresham St., London, EC2V 7JE, England; 01-600-6871

L.F. Rothschild, Unterberg, Towbin International had no U.S. tax-exempt funds or clients as of Jan. 1.

Minimum account size for individual management is $10 million.

Analysts or portfolio managers are stationed in London and New York.

The firm believes dependable long-term perfomance can best be achieved by a focus on a limited number of structurally selected markets and stocks, "Base," with short-term inefficiencies and special situations captured by a "Plus" portfolio. This "Base-Plus" philosophy unites these concepts into one integrated portfolio.

The firm has been registered with the SEC since 1983.

Client contacts are Don Hill in New York, at (212) 425-3300, and Olaf Rogge, in London.

N.M. Rothschild International Asset Management Ltd.

New Court, St. Swithin's Lane, London, EC4P 4DU, England; 01-280-5000

N.M. Rothschild International Asset Management, an affiliate of Rothschild Inc., had U.S. tax-exempt assets of $85 million invested in foreign markets as of Jan. 1. Ot that, $60 million was in non-domestic stocks.

Total U.S. and non-U.S. tax-exempt assets under management by the parent organization and subsidiaries were $8 billion as of the same date.

Analysts or portfolio managers are stationed in London, Zurich, Paris, New York, Singapore, Sydney, Tokyo and Hong Kong.

For investing U.S. tax-exempt assets, N.M. Rothschild's equity approach is to enhance return by currency, market and stock selection based on research in all three areas. For fixed income, the firm assesses currency trends in international markets. It uses internal economic forecasting capability during a 12- to 18-month time frame to provide expected interest rate trends.

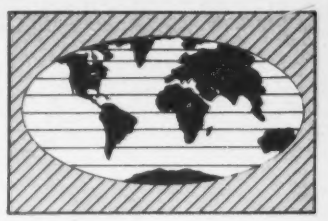
The firm has been registered with the SEC since 1980.

James Heyworth-Dunne is the client contact.

Frank Russell Trust Co.

1912 First Interstate Plaza, Tacoma, Wash. 98402; (206) 572-2282

The Frank Russell Trust Co., a subsidiary of the Frank Russell Co., had $53 million invested internationally for



11 U.S. tax-exempt clients as of Jan. 1.

Total U.S. and non-U.S. tax-exempt assets under management by the parent organization and subsidiaries were $1.1 billion.

All of the assets invested internationally were in stocks as of the beginning of the year.

As of March 31, the countries with the strongest investment commitments were Japan, the United Kingdom, Australia, the Netherlands, Canada, Hong Kong and Singapore.

Frank Russell does not manage the assets itself but uses a diversified group of advisers to provide management services for smaller pension funds. The international advisers for International Fund I are Capital Guardian Trust Co., G.T. Capital Management Inc. and Templeton Investment Counsel. The advisers for International Fund II are Baring International Investment Ltd., Daiwa International Capital Management and Nomura Investment Management Co.

The client contact is Richard A. Lothrop.

S

SBC Portfolio Management International Inc.

1 World Trade Center, Suite 9051, New York, N.Y. 07450; (212) 938-7465

SBC Portfolio International Management Inc., a subsidiary of Swiss Bank Corporation Group, managed $26 million for four U.S. tax-exempt clients as of Jan. 1.

As of March 31, the equity assets were invested most heavily in Japan, 33%; the United Kingdom, 10%; Spain, 10%; Belgium, 9%; and Switzerland, 9%.

The minimum account size for individual management is $1 million.

Analysts or portfolio managers are stationed in Sydney, Singapore, Hong Kong, New York, London, Zurich, Geneva and Basel, Switzerland.

SBC uses a global top-down approach for equities. Country and currency selection precedes industry strategy and stock pricing. Decision-making combines longer-term and shorter-term elements, supplemented by quantitative allocation tools. Stock selection focuses on growth (including smaller-capitalization companies) and value consideration. Minor fixed-income portions are used to obtain incremental returns. The firm uses currency hedging devices.

SBC Portfolio Management International has been registered with the SEC since 1982.

The client contact is Peter J. Morant.

Schroder Capital Management International

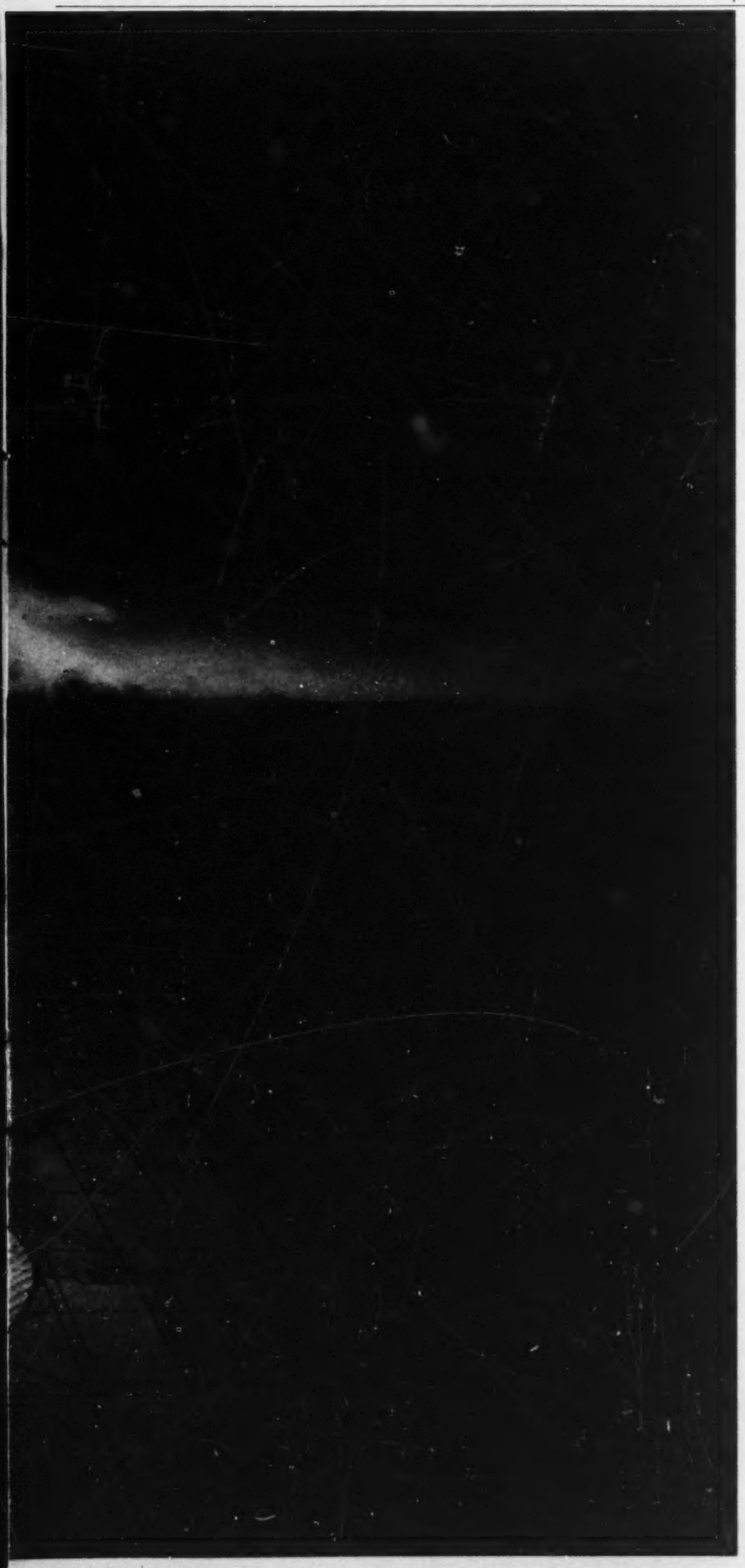
1 State St., New York, N.Y. 10004; (212) 269-6500

Schroder Capital Management International managed U.S. Tax-exempt assets of $200 million for eight clients as of Jan. 1.

Total U.S. and non-U.S. assets under management by the parent and its subsidiaries were $12 billion as of the same date.

As of March 31, the equity assets were invested most heavily in Japan, 41%; the United Kingdom, 23%; the Netherlands, 9%; Germany, 8%; and Switzerland, 7%.

Minimum account size for individual management is $5 million.



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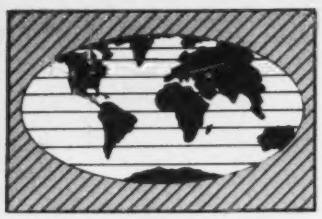

The firm and its parent has analysts or portfolio managers in London, New York, Tokyo, Zurich, Hong Kong, Singapore and Sydney.

For investing U.S. tax-exempt assets the company begins with country allocations, emphasizing stock selection in countries with the best economic prospects. Broad guidelines for country investment are based on two-year economic projections in order to quantify longer-term market opportunities. Within these guidelines, the current asset allocation decision is determined based on shorter term market considerations.

Once country guidelines are established, the firm takes an active and aggressive approach to stock selection. Distinctively emerging growth stocks make up the core of its portfolios. Small to medium companies with an identified sustainable competitive advantage are frequently chosen.

The company has been registered with the SEC since 1980.

The client contact is Sharon Haugh.

JB B

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Mitchell A. Johnson
Vice President and Fiscal Agent

Cynthia S. Cola
Manager, Short Term Liabilities

For more details, contact the Fiscal Agency Department at 800-321-7179

Student Loan Marketing Association
1050 Thomas Jefferson Street, N.W., Washington, D.C. 20007

This announcement appears as a matter of record only.

Schroder, Munchmeyer, Hegst Management GmbH

Friedensstrasse 6-10, 6000 Frankfurt/Main, West Germany; 49-611-2179-256

Schroder, Munchmeyer, Hengst Capital GmbH, the parent company, and its subsidiaries had more than $500 million in total assets under management Jan. 1; however, the firm had no U.S. tax-exempt money invested internationally.

As of March 30, the equity assets of non-U.S. international accounts were weighted most heavily in cash, 38%; Germany, 30%; the United States, 19%; Hong Kong, 5%; and the United Kingdom, 4%.

Analysts or portfolio managers are stationed in Frankfurt.

Schroder, Munchmeyer, Hengst uses a global approach to international investment with emphasis generally on the larger-capitalization markets. Its priorities in structuring portfolios are asset mix, country allocation, group and stock selection and currency, in normal order of importance. The firm concentrates on creating opportunity in international portfolios rather than diversification, and has a rotational investment style.

The firm has been registered with the SEC since 1979.

The client contact is Thomas R. Holmes.

Scudder, Stevens & Clark

345 Park Ave., New York, N.Y. 10154; (212) 350-8396

Scudder, Stevens & Clark managed $147 million in U.S. tax-exempt assets as of Jan. 1. Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $12.3 billion as of that date.

As of March 31, the equity assets were invested most heavily in Japan, 27%; Belgium, 9%; the Netherlands, 9%; the United Kingdom, 9%; and Hong Kong, 8%.

Minimum account size for individual management is $2 million.

Analysts or portfolio managers are stationed in Toronto and New York.

For investing U.S. tax-exempt assets, the firm uses a foundation of research and exploration of investment alternatives whether they are fashionable or not. The company identifies and analyzes the conditions and basic trends of economies, industries and companies.

The firm has been registered with SEC since 1940.

Client contacts are C. Lenef Koontz at (212) 350-8572 and N. Bratt at (212) 350-8396.

State Street Bank & Trust

225 Franklin St., Boston, Mass. 02101; (617) 786-3236

State Street Bank & Trust Co. managed $477 million in U.S. tax-exempt assets internationally as of Jan. 1. The full amount was invested in foreign stocks. The bank has four U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $9.6 billion as of the beginning of the year.

As of March 31, the international equity assets were invested most heavily in Japan, 52%; Germany, 8%; the Netherlands, 4%; the United Kingdom, 20%; and Australia, 5%.

Analysts or portfolio managers are stationed in Boston.

For investing U.S. tax-exempt assets, the bank's approach is flexible, offering a variety of vehicles with varying degrees of active management and risk. The vehicles include a passive index fund of nine markets intended to closely track the EAFE index; a fund indexing the same nine markets, but adjusting allocation according to the bank's own evaluation; and a fund of 25 to 50 undervalued equities of the world's most promising growth companies.

The client contact is Harry Sterling.

t

Teachers Insurance & Annuity Association-College Retirement Equities Fund

730 Third Ave., New York, N.Y. 10017; (212) 916-4000

TIAA-CREF has $1.9 billion invested internationally, of which $1.5 billion is invested in foreign stocks for CREF and $395 million is invested in foreign bonds for TIAA.

The international equity investments for CREF, as of March 31, were most heavily concentrated in Japan, 47.3%; the United Kingdom, 16.1%; Canada, 7.9%; Germany, 6.5%; and Australia, 6%.

TIAA-CREF's international investments are designed to maximize return through diversification of assets and active management.

Henry A. Frantzen, senior vice president and investment manager of CREF, heads international equity investments; J. Daniel Lee Jr., senior vice president, directs TIAA bond investments.

Templeton Investment Counsel

405 Central Ave., P.O. Box 3942, St. Petersburg, Fla. 33731; (813) 823-8712

Templeton Investment managed U.S. tax-exempt assets of $509 million for 38 clients as of Jan. 1.

Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $3.7 billion as of the start of the year.

As of Dec. 31, 1983, the international equity assets were invested most heavily in Canada, 10%; the Netherlands, 6%; Australia, 4%; and Japan, 2%.

Analysts or portfolio managers are stationed in Fort Lauderdale, Fla., and Nassau, Bahamas.

Minimum account size for individual management is $10 million.

The firm uses fundamental analysis and searches for undervalued securities on a worldwide basis. The approach is long term and flexible as there is no initial country or currency allocation. Portfolios are structured with stocks selected on the basis of relative undervaluation.

Templeton Investment Counsel has been registered with the SEC since 1954.

Client contacts are Ann-Margaret Ulrich, fund management, in St. Petersburg, and Michael Landry, separate accounts, at (305) 764-7390.

Thorndike, Doran, Paine & Lewis/Wellington Management Co.

28 State St., Boston, Mass. 02109; (617) 742-8100

As of Jan. 1, Thorndike, Doran, Paine & Lewis/Wellington Management Co. invested U.S. tax-exempt assets of $51.1 million internationally, of which $50 million was in equities.

Overall, the company managed $5.7 billion in U.S. tax-exempt assets for 191 clients at the beginning of the year.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $12.6 billion at that time.

As of March 31, the equity assets were invested most heavily in Japan, 35%; France, 11%; the Netherlands, 10%; the United Kingdom, 8%; and Hong Kong, 7%.

Minimum account size for individual management is $10 million.

Analysts or portfolio managers are stationed in Boston, Atlanta, Valley

Forge, Pa., and London.

The firm's international equity investment philosophy is that superior long-term results can be achieved by focusing on a carefully selected, diversified and dynamic group of growing foreign companies. It emphasizes timely identification of the best relative values among various foreign companies and markets and periodically repositions the portfolio to take advantage of valuation changes.

Its international fixed-income philosophy is that superior long-term results can be achieved through timely anticipation of interest rate trends in the countries in which the firm invests. The firm attempts to minimize risk by investing the major part of the portfolio in government-backed foreign securities.

The firm has been registered with the SEC since 1960.

The client contact is Jerrold Mitchell, vice president and director-international department.

Touche Remnant Pension Fund Management Ltd.

Mermaid House, 2 Puddle Dock, London, EC4V 3AT, England; 01-236-6565

As of Jan. 1, the firm had one U.S. tax-exempt client with assets of less than $5 million, invested in international equities.

As of the same date, Touche Remnant Holdings Ltd., the parent company, and its subsidiaries managed total assets of $3 billion.

As of March 30, half the international equity assets were concentrated in the United Kingdom, with 24% in the United States; 17% in Japan; 4% in Australia; and 2% in Hong Kong.

Analysts or portfolio managers are stationed in London.

The firm's investment approach for U.S. tax-exempt assets is an equity-oriented, top-down strategy. Security selection is based on in-depth global research with emphasis on financially strong, well-managed growth companies. The firm registered with the SEC in 1982. David H. Carter is the client contact.

Travelers Asset Management International Corp.

122 E. 42nd St., Suite 3506, New York, N.Y. 10017; (212) 867-6233

Travelers Asset Management International Corp., a subsidiary of The Travelers Corp., manages international and domestic fixed-income portfolios. Total assets under management as of March 31 were $850 million.

As of the same date, the firm's assets were invested in the securities of these countries: the United States, 21%; Sweden, 11%; the United Kingdom, 8%; and Japan, 8%.

Analysts or portfolio managers are stationed in New York.

Minimum account size for individual management is $5 million.

Travelers Asset Management International actively manages separate portfolios in international and domestic fixed-income securities. Investment tools have been developed to maximize returns that exceed those obtainable in domestic fixed-income investments alone.

The firm has been registered with the SEC since 1982.

The client contact is Werner R. Genieser, senior vice president.

Travelers Hill Samuel International Ltd.

1 Tower Square, Hartford, Conn. 06115; (203) 277-3772

Travelers Hill Samuel International Ltd. managed $71 million in U.S. tax-exempt assets for 24 clients as of Jan 1. Of the total, $49 million was invested in foreign stocks and $7 million in foreign bonds.

Total U.S. and non-U.S. assets under management by the parents and subsidiaries were $44 billion as of the same date.

As of March 31, the equity assets were committed most heavily in Japan, 32.9%; the United Kingdom, 14.8%; Germany, 10.6%; the Netherlands, 8.5%; and Hong Kong, 4%.

Minimum account size for individual management is $5 million.

Analysts or portfolio managers are stationed in London.

The firm's investment approach for U.S. tax-exempt assets emphasizes the appraisal of long-term value for markets and stocks in U.S. dollar terms measured by the the firm's dividend discount model. Shorter term risk and reward are measured by one-year ranges within which prices are expected to fluctuate. Long-term currency value is measured on a purchasing power parity basis.

The firm has been registered with the SEC since 1982.

The client contact is John C. Parish Jr.

V

Van Cleef, Jordan & Wood

230 Park Ave., New York, N.Y. 10169; (212) 986-2600

Van Cleef, Jordan & Wood Inc. managed U.S. tax-exempt assets of $165 million for 12 clients as of Jan. 1. Of the total, $20 million was invested internationally: $16 million in stocks and $4 million in bonds.

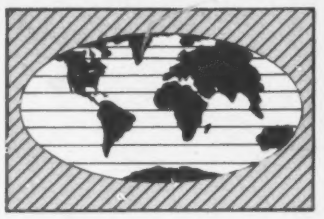
Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were about $273 million at the beginning of the year.

As of March 31, the equity assets were invested most heavily in Japan, 50%; West Germany, 10%; the United Kingdom, 6%; Hong Kong, 6%; and the Netherlands, 5%.

The minimum account size for individual management is $2 million.

Analysts or portfolio managers are stationed in New York City, Troy, N.Y., and Weston, Conn.

For investing U.S. tax-exempt assets, Van Cleef, Jordan & Wood determines interest rate and inflation



rate trends and defines an asset allocation model. It uses top-down and bottom-up approaches to determine upside potential vs. downside risk and the prospective dividend growth to support the stock's valuation.

The firm has been registered with the SEC since 1930.

The client contact is Carl Lawrence.

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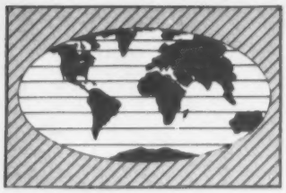

Van Eck Associates International Corp.

122 E. 42nd St., New York, N.Y. 10168; (212) 687-5200

As of Jan. 1, Van Eck Associates International Corp., a subsidiary of Van Eck Management Corp., managed $93 million for one U.S. tax-exempt client.

Total U.S. and non-U.S. tax-exempt assets under management by the parent and its subsidiaries were $768 million as of the same date.

As of March 31, the equity assets were invested most heavily in South Africa, 90%; Canada, 9%; and the United States, 1%.

Minimum account size for individual management is $2 million.

Analysts or portfolio managers are stationed in New York.

The firm and its parent company have $1 billion under management invested in gold mining and global industrial equity and fixed-income securities.

Portfolio composition decisions are based on world business and political conditions, inflationary pressures, foreign exchange relationships and interest rates. The firm believes well-selected gold-mining shares provide a hedge against the inflationary bias of the international and domestic monetary systems. Furthermore, long-term studies indicate gold and gold-mining shares have no correlation with indexes of industrial equities and, therefore, provide optimal investment diversification.

The firm has been registered with the SEC since 1955.

The client contact is Harry J. Bingham.

W

Warburg Investment Management International

499 Park Ave., 15th Floor, New York, N.Y. 10022; (212) 223-2243

Warburg Investment Management International Ltd. managed $208 million for 11 U.S. tax-exempt clients as of Jan. 1.

Of that, $204 million was invested in foreign stocks.

Total U.S. and non-U.S. assets under management by the parent organization — S.G. Warburg & Co. Ltd. — and its subsidiaries were $9.5 billion at the beginning of the year.

As of March 31, the equity assets were invested most heavily in Japan 53%, the Netherlands, 8%; Switzerland, 8%; the United Kingdom, 6%; and Germany, 5%.

The firm has 25 international analysts stationed in London and one in Tokyo, with 30 U.K. market analysts/portfolio managers also located in London.

Warburg Investment Management International believes the way to exploit the opportunities inherent in world stock markets is through a London-based team of investment professionals using an active investment approach that highlights the strategic allocation of funds among international markets, while seeking to add value at the industry/stock selection levels.

The firm has been registered with the SEC since 1976.

The client contact is John G. Townsend.

Wardley Marine International Investment Management

250 Park Ave., New York, N.Y. 10177; (212) 949-5827

Wardley Marine International managed $12 million for one U.S. tax-exempt client as of Jan. 1. Of that, $11 million was invested in foreign stocks and $500,000 in foreign bonds.

Total U.S. and non-U.S. assets under management by the parent organizations and subsidiaries were $5.7 billion at the beginning of the year.

As of March 31, the equity assets were invested most heavily in Japan, 41.6%; the United Kingdom, 12.7%; Germany, 7.2%; Hong Kong, 5.2%; and the Netherlands, 5%.

Minimum account size for indvidual management is $2.5 million.

Analysts or portfolio managers are stationed in New York, London, Tokyo, Hong Kong, Melbourne and Singapore.

The investment approach for U.S. tax-exempt assets is active, top-down and equity oriented with emphasis on the assessment of relative value in one market vs. another. Markets and currencies are weighted regularly.

The firm has been registered with the SEC since 1982.

The client contact is Christopher Bain at (212) 949-5821.

Wells Fargo Investment Advisors

P.O. Box 63029, San Francisco, Calif. 94163; (415) 396-3778

Wells Fargo Investment Advisors had $8 million invested internationally for two U.S. tax-exempt clients as of Jan. 1. All of the assets were invested in foreign stocks.

The highest concentrations of international investments were in Japan, 48%; the United Kingdom, 22%; Germany 9%; Switzerland, 5%; and Australia, 4%.

Minimum separate account size is $50 million.

The firm's international fund for tax-exempt clients is a passively managed collective investment fund designed to provide cost-effective participation in the returns of a broad group of foreign equity markets and to reduce the risk of the total equity portfolio.

Thomas A. Middleton, vice president and managing director of client relations and marketing, is the client contact.

Wertheim-Philippe International

230 Park Ave., New York, N.Y. 10169; (212) 370-6130

Wertheim-Philippe International is a joint venture of Wertheim Asset Management Services Inc. and Philippe Group of Paris.

The company has no U.S. tax-exempt clients. Total U.S. and non-U.S. assets under management by both parent organizations and subsidiaries were $265 million as of Jan. 1.

As of March 31, the equity assets were invested most heavily in the United States, 47%; Japan, 16%; Great Britain, 7%; South Africa, 7%; and the Netherlands, 5%.

Analysts or portfolio managers are stationed in Paris, New York and Luxembourg.

Minimum account size for individual management is $5 million.

The firm's approach to investment is top-down. A key factor in achieving a balanced portfolio is diversification of investments among many countries and sectors. Currency and interest rate considerations affect the various markets. At times, the firm invests for a short period in fixed-income securities. The firm pays attention to a country's political climate.

The firm has been registered with the SEC since 1982.

The client contact is Deborah G. George.

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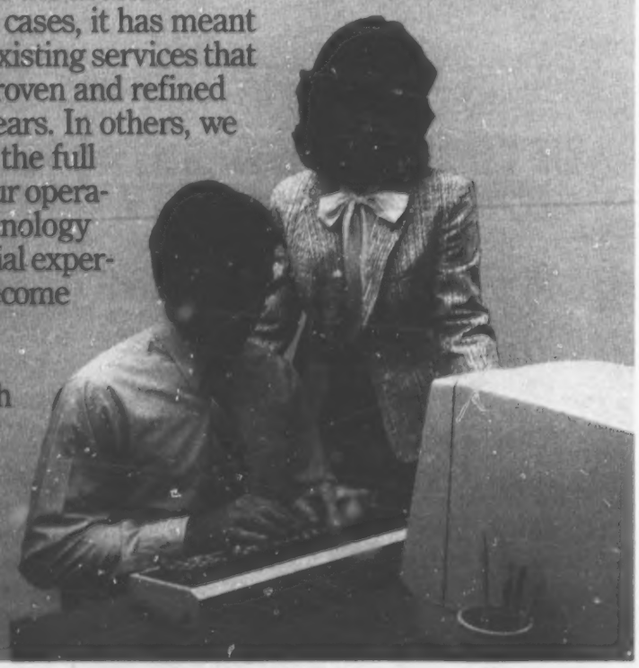

Wachovia

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Chicago, Ill. 60611
(312) 649-5484

Deregulation eases . . .

Continued from page 26

volume on the exchange have resulted in an overall drop of 25% in commission revenues, she added.

In the Australian market, totally unfixed commissions were introduced last April, according to Mr. Bain, who also is chairman of Bain & Co., one of Australia's largest brokers.

Previously, there had been a scaled rate of 2½% for the first $5,000 in transactions and 0.5% for more than $500,000 in transactions, he said.

On the London Stock Exchange, some fixed commission reductions also were enacted last April, such as a 12% to 20% cut in commission for trades of more than $350,000 in British government securities or gilts.

Other changes should follow by autumn, according to the exchange.

What these reduced rates mean to U.S. pension sponsors seeking international investment capability is access to these markets that is cheaper, less complicated and more direct, explained Peter Davidson, partner at W. Greenwell & Co., the largest fixed-income broker in the United Kingdom. It is thought commissions in the United Kingdom should be reduced by as much as 30% from the present rate.

Another byproduct of deregulation is "it should be easier for the U.S. ERISA funds to deal (in the markets) because they will have access to a centralized market, whereas with the present (U.K.) system, one must go through a broker to get to the market," Mr. Davidson explained.

Under the current British system, there are distinct separations among stock market functions.

Merchant banks offer institutions investment advice, brokers (agents) buy or sell securities to the customers of the merchant bankers, and "jobbers" make markets in securities to buy or sell issues to brokers, said Mr. Davidson.

"These wholesale (market makers) and retail (brokers and merchant bankers) functions will disappear as entities and become one," he reasoned.

In Australia, brokers always have been able to do business on the floor of the exchange, making markets in securities and selling directly to customers. But merchant banks and stockbrokers were not allowed to incorporate.

Last April, Australia made it legal for brokering houses to issue up to 50% of their voting shares to non-members of the stock exchange and to incorporate, among other things, said Mr. Bain.

In Canada, banks were allowed to offer discount brokerage services to customers in October 1983, said Ms. Urquhart of the Toronto exchange.

But that discount service must be performed on the exchange floor by a discount broker. It is illegal for Canadian banks to perform brokerage functions, she explained.

Further deregulation of the Canadian system is the subject of much debate and study, she added.

Blurring of distinctions between the separate market functions will mark the beginning of regional consolidation of financial services institutions, according to experts. This, in turn, will set off a round of mergers between merchant banks and brokerage firms in Britain and possibly in Australia, they say.

One of the initial requirements of this change will be that firms getting into making markets for the first time will need large infusions of capital. That need will create its own special problems.

"If we move to a system of combining the principal with the agent, then to be principals we'll need capital," said Charles Smedley, partner at James Capel & Co., one of the largest British brokerage firms.

"It is already happening that firms are linking up with larger entities for more capital," said Mr. Smedley. The James Capel group of companies is aiming to open a New York office this summer. Its main thrust will be to market the international research product for which it is respected in England and among international investors.

In Australia, similar forces are at work, explained Douglas Little, president of Bain & Co.'s New York office, Bain Securities Inc. "Brokers are selling equity to outside buyers to increase their capital bases.

"They have been offering it especially to financial institutions to fund what they perceive as increased capital requirements for block trading."

Bain & Co. is pitching its Australian brokerage services in the United States and marketing its research product to American pension funds, Mr. Little added.

"In Canada, there have been mergers within the securities industry itself, due to a desire to become more internationally oriented and to expand their capital bases," said the Toronto Exchange's Ms. Urquhart.

American firms have been eyeing possible liaisons with British and Australian brokers for some time, according to participants.

These interests dovetail with the current environment to produce another byproduct of deregulation.

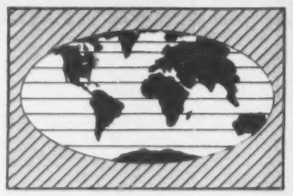
As Mr. Bain put it, "the movement toward the internationalization of financial markets will accelerate."

Deregulation gives foreign firms the opportunity to buy as much as 15% of the equity of Australian exchange members, he said.

Likewise in the United Kingdom, U.S. firms eventually will be allowed to become exchange members and compete side by side with their British counterparts.

A further result of consolidation of market functions will be to enhance the capitalization of both the British and Australian markets.

In the United Kingdom, "deregulation is attracting more capital into the industry and that will lead to greater liquidity in the markets," said Richard Watkins, resident director of Phillips & Drew International Ltd. in New York. Phillips & Drew stands among the United Kingdom's brokerage giants. ■



Top 10 firms in terms of increase in international assets
($ millions)

Firms	Total assets (1983)	Total assets (1982)	increase
Frank Russell Trust	$ 53	$ 5	960%
Bailard	40	6	560
Kemper	175	30	483
Nikko International	74	13	469
Grantham	153	34	350
Prudential	338	90	276
Baring International	225	65	246
Capital Guardian	475	150	216
Fidelity International	725	230	215
ABD International	160	55	190

Global view . . .

Continued from page 26

he explained.

"For us to hire a manager to put money into domestic and international doesn't make sense. The reason one is in international is to keep the money separate," he reasoned.

The Oregon fund recently divided $42 million among four international managers — ABD International Management Corp., Rowe-Price Fleming International Inc., Globe Finlay Inc. and Daiwa International Capital Management Co.

Many plan sponsors suspect that it is too much to expect a money manager to have a tight grasp on all world markets at once.

"Up to this point, most U.S. managers have no international expertise, and people with international expertise that a sponsor would hire, really are international managers, many based outside the United States," explained Mr. George.

"Why hire a guy in London or Edinburg to invest in New York?" he asked.

While, William F. Quinn, assistant treasurer for American Airlines, agrees that global investment could be a trend in the future, he sees it on the horizon in three to 10 years, rather than in one to three years.

"Domestic managers as a rule haven't had sufficient experience in international markets to get their feet wet, and it will take time," he said.

American Airlines, with $2 billion in total employee benefit assets, has $113 million in international investments, said Mr. Quinn.

Some money managers share the plan sponsors' concerns that advisers aren't up to snuff on a global scale yet.

"Not a whole lot of money managers are organized to manage global money. There are U.S. managers and non-U.S. managers but not many global ones." said Capital Research's Mr. Fisher.

The real challenge is to integrate U.S. and non-U.S. expertise," he said. ■

A cash management directory, to be published July 23, will detail banks, service networks and consultants.

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Yamaichi Capital Management Inc.
1 World Trade Center, Suite 5361, New York, N.Y. 10048; (212) 432-6600

As of Jan. 1, Yamaichi Capital Management Inc. invested $38.9 million in foreign markets for three U.S. tax-exempt clients.

All of the assets were placed in Japan, with $34 million in equities and $4.9 million in cash and cash equivalents.

The firm also had $19.9 million in Canadian tax-exempt assets placed in foreign markets.

Total U.S. and non-U.S. assets under management by the parent organization and its subsidiaries were $365 million.

Minimum account size for individual management is $2 million.

Analysts are stationed in Tokyo, Osaka and Nagoya, Japan; Hong Kong; New York; and London. Portfolio managers are located in Tokyo and New York.

The firm's approach emphasizes stable fund growth and investment returns. It stresses research, top-down selection and active/flexible management.

The firm has been registered with the SEC since 1981.

Iwao Hasegawa is the client contact at (212) 432-6635.

Better data, new clients

Japan draws U.S. firms

By James S. Altshul

TOKYO — A small number of American money managers have established a presence in Tokyo to service their U.S. clients with Japanese investment information, and some have begun to attract Japanese clients.

Two of the American firms — Fidelity International Investment Management Inc., Boston, and Morgan Guaranty Trust Co. of New York — have placed more than $1 billion in Japan.

In addition, Morgan's investment advisory services have attracted some Japanese clients, and Putnam International Advisors, Boston, might be on the verge of doing so. Also, sales of Fidelity's mutual funds in Japan have been brisk.

Six U.S. fund managers are represented in one way or another in Tokyo. Fidelity, Capital Research & Management Co., Los Angeles, and Putnam maintain representative offices.

Morgan Guaranty's trust and investment division has an office across the street from Morgan's Tokyo branch.

T. Rowe Price Associates, Baltimore, which has a joint venture with Robert Flemings Holdings Ltd. — Rowe Price-Fleming International Inc. — has stationed one staffer at Jardine Fleming's Tokyo branch.

One officer at Bankers Trust Co.'s Tokyo branch provides investment research for the bank's trust department.

(The ranks of British investment managers in Japan, however, are far larger than those of the Americans, and some of them are marketing their expertise to U.S. pension sponsors.)

Research constitutes the principal, if not the sole, activity of all the Tokyo representative offices of U.S. managers.

They do not place orders in Tokyo. Japanese law makes investment management the exclusive preserve of the seven trust banks and 22 life insurance companies. Consequently, all foreign managers must carry out the actual transactions abroad.

The representatives agree the interest of their U.S. clients in Japanese equities is growing steadily.

"For most of our clients, investing abroad means investing in Japan. They come to Japan and they get very excited," said Hartmut Giesecke, senior vice president and chief representative of Capital Research.

Richard G.P. Carss, vice president and regional investment head at Morgan Guaranty, said the Pacific Basin is the area in which growth is anticipated. If a U.S. pension fund is venturing offshore, it's a fairly good bet the fund will send a sizable chunk of the money it invests overseas to Asia.

All the managers represented in Tokyo have placed substantial sums in Japan. Masa Izumi, director of marketing at Fidelity International (Japan), said Fidelity International now has more than 300 billion yen ($1.3 billion) invested in Japan, together with more than 100 billion yen ($450 million) invested by Fidelity's domestic unit, mostly in the form of American depository receipts.

Japanese securities represent the bulk of the roughly $1 billion worth of equities and all of the approximately $250 million worth of bonds that Morgan has bought in Asia for its clients.

Capital Research's position in Japan, at about $500 million, has doubled in the past year. Putnam has placed $150 million in Japan, but is reducing its exposure.

The American managers have begun to attract Japanese clients because of their presumed expertise in U.S. securities, and even for their Japanese research.

Morgan provides investment advice to some Japanese financial institutions.

The Japanese are prohibited by law from handing over funds to foreigners for management, but they may receive portfolio advice from foreigners.

Sales of foreign mutual funds in Japan have been growing steadily. Fidelity has been the most active, with Mr. Izumi working full-time marketing.

Japanese investors now have 90 billion yen (slightly less than $400 million) invested in Fidelity mutual funds.

Several small and medium-sized Japanese brokers are promoting Fidelity funds, including a few that invest largely or almost exclusively in Japan.

Mr. Izumi explained these funds are very popular with Japanese investors because they have far outperformed the mutual funds managed by the big four Japanese securities companies.

Getting approval to sell a foreign mutual fund in Japan is not easy, however.

The fund must meet 19 selective standards imposed by the the Ministry of Finance.

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